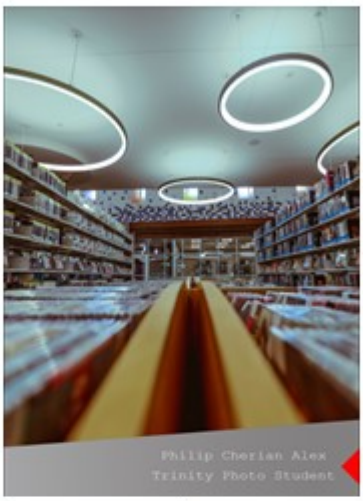
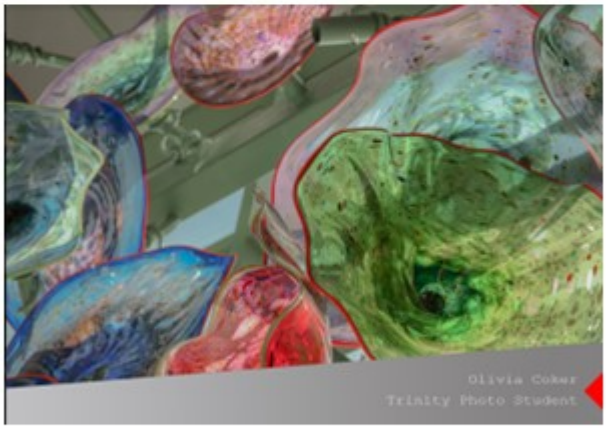
City of Euless





Annual Comprehensive Financial Report

Fiscal Year Ending September 30, 2022

201 N. Ector Drive, Euless, TX 76039 www.eulesstx.gov

THE CITY OF
EULESS

City of Euless, Texas

Annual Comprehensive Financial Report
Fiscal Year Ending
September 30, 2022

Prepared by
City of Euless
Finance Department

201 North Ector Drive
Euless, TX 76039

THE CITY OF
EULESS

CITY OF EULESS, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2022

C O N T E N T S

	Page(s)
INTRODUCTORY SECTION	
Letter of Transmittal	i-vii
City Officials	viii
Organizational Chart	ix
GFOA Certificate of Achievement	x
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis (unaudited)	5-17
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements	
Governmental Funds	
Balance Sheet	20-21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds	
Statement of Net Position	28-29
Statement of Revenues, Expenses, and Changes in Net Position	30-31
Statement of Cash Flows	32-33
Fiduciary Funds	
Statement of Net Position	34
Statement of Changes in Fiduciary Net Position	35
Notes to Basic Financial Statements	36-80
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios (Texas Municipal Retirement System)	83
Schedule of Contributions (Texas Municipal Retirement System)	84
Schedule of Changes in Net OPEB Liability and Related Ratios	85
Schedule of Contributions – OPEB Trust	86
Budgetary Comparison Schedules	
General Fund	87-88
Car Rental Special Revenue Fund	89
Notes to Required Supplementary Information	90
Combining and Individual Fund Statements and Schedules	
Non-Major Governmental Funds	
Combining Balance Sheet	94-97

CITY OF EULESS, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2022

C O N T E N T S – CONTINUED

		Page(s)
Combining and Individual Fund Statements and Schedules - Continued		
Non-Major Governmental Funds		
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		98-101
Schedule of Revenues, Expenditures, and Changes in Fund Balances		
Budget and Actual		
Hotel/Motel Special Revenue Fund		102
Half-Penny Sales Tax Special Revenue Fund		103
Police Drug Enforcement Special Revenue Fund		104
Crime Control and Prevention District Special Revenue Fund		105
Grants Special Revenue Fund		106
Police Seized Assets Special Revenue Fund		107
Juvenile Case Special Revenue Fund		108
TIRZ #3 Glade Parks Special Revenue Fund		109
Midtown Public Improvement District Special Revenue Fund		110
TIRZ #4 Midtown Special Revenue Fund		111
Cable PEG Fees Special Revenue Fund		112
Internal Service Funds		
Combining Statement of Net Position		114
Combining Statement of Revenues, Expenses, and Changes in Net Position		115
Combining Statement of Cash Flows		116
STATISTICAL SECTION (Unaudited)	Table	
Net Position by Component	1	119
Changes in Net Position	2	120-121
Fund Balances, Governmental Funds	3	122
Changes in Fund Balances, Governmental Funds	4	123
Estimated Actual Value of Taxable Property	5	124
Direct and Overlapping Property Tax Rates	6	125
Principal Property Taxpayers	7	126
Property Tax Levies and Collections	8	127
Ratio of Outstanding Debt by Type	9	128
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	10	129
Direct and Overlapping Governmental Activities Debt	11	130
Schedule of Revenue Bond Coverage Water and Wastewater Bonds	12	131
Demographic Statistics	13	132
Principal Employers	14	133
Full-time City Government Employees by Function/Program	15	134
Operating Indicators by Function/Program	16	135
Capital Asset Statistics by Function/Program	17	136

INTRODUCTORY SECTION

THE CITY OF
EULESS

THE CITY OF EULESS

February 28, 2023

To the Honorable Mayor,
Members of the City Council, and
Citizens of the City of Euless, Texas

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report for the City of Euless, Texas ("City") for the fiscal year ended September 30, 2022. This report complies with State law which requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report is published to provide the City Council, City staff, citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City. The report consists of City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the accuracy, completeness, and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits derived from them, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Weaver and Tidwell, L.L.P., a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended September 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

201 N. Ector Drive, Euless TX 76039-3595
817/685-1400 Metro 817/267-4403 Fax 817/685-1416
www.eulesstx.gov

This report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, a listing of City Officials, and an organizational chart of the City. The Financial Section includes the independent auditor's report on the basic financial statements, Management's Discussion and Analysis ("MD&A"), basic financial statements, the Notes to the Basic Financial Statements, and combining and individual fund statements and schedules. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement, and should be read in conjunction with, the MD&A. The City of Euless' MD&A can be found immediately following the independent auditor's report. The Statistical Section includes financial and demographic information relevant to readers of the City's financial statements. The statistical data is generally presented on a multi-year basis.

Profile of the City of Euless, Texas

The City of Euless is located in North Central Texas in Northeast Tarrant County approximately 16 miles west of Dallas and 16 miles east of Fort Worth. Euless is readily accessible by State Highway 183 which is a multi-lane expressway linking Dallas to Fort Worth. Other major highways through the City include State Highway 121, State Highway 360, State Highway 10 and Farm-to-Market Road 157. Euless' centralized location provides quick access to both Dallas and Fort Worth metropolitan areas and is adjacent to Dallas-Fort Worth International Airport ("DFW Airport"), one of the world's busiest airports. The City is approximately 16.2 square miles and serves a population of approximately 61,480.

The City of Euless was incorporated February 24, 1953 and is a home rule city operating under a Council/Manager form of government. The City Council is comprised of the mayor and six council members who are elected at large. The Council has the authority to enact local legislation, levy taxes, adopt budgets, determine policies, incur debt, and appoint the City Secretary, City Attorney, Municipal Court Judge, and the City Manager. The City Manager reports directly to the City Council, and is responsible for the daily management of the various City departments. Council members serve three-year staggered terms, with two council members elected each year. The Mayor is elected to serve a three-year term. In addition, several boards and commissions were created to assist the City Council in deciding matters of policy and procedure and meet on various issues throughout the year.

The City of Euless provides a full range of services to its citizens including: police and fire protection; emergency ambulance services; municipal court operations; development and code services; construction and maintenance of streets and highways, parks, and recreational facilities; water service and wastewater collection and treatment; and library operations. The City also operates a top-ranked, 18-hole golf course and conference center, youth athletic complex, and an aquatics center. Internal services of the City account for risk management, equipment replacement, and employee insurance coverage activities on a cost reimbursement basis. Private contractors, through franchise agreements, provide solid waste and recycling collections and disposal services for the City.

Four component units of the City, the Euless Development Corporation, the Euless Crime Control and Prevention District, Tax Increment Reinvestment Zone (TIRZ) #3 – Glade Parks, and Tax Increment Reinvestment Zone (TIRZ) #4 – Midtown, are presented in the financial statements of the City as blended component units. Data for these organizations is recorded in and presented as special revenue funds in the City's financial statements. Additional information on these component units can also be found in Note 1 in the Notes to the Basic Financial Statements.

The annual budget serves as the foundation for the City of Euless' financial planning and control. Per the City Charter, the City Manager provides to the City Council the proposed budget by August 1st each year. The budget is filed with the City Secretary and is open for public inspection. Upon receipt of the budget, the City Council sets a date for a public hearing at which time interested citizens may express their opinions regarding the proposed budget. The Charter requires the Council to adopt the budget by a favorable majority vote at least ten days prior to the beginning of the next fiscal year.

The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgetary control has been established at the individual fund level. Financial reports are produced showing budget to actual expenditures by line item and are distributed monthly to City departments for review.

Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Euless operates.

The City of Euless is located in Tarrant County in the heart of the Dallas/Fort Worth (DFW) Metroplex and adjacent to the DFW International Airport. Thus, the economic vitality of the region significantly impacts the economic health of Euless.

DFW Airport reports itself as the third largest airport in terms of operations and second largest in terms of passengers in the world, handling 62.5 million passengers in 2021.

According to the North Texas Commission, DFW is the 4th largest region in the US and has experienced tremendous growth during the past decade. With its highly-diversified economy, DFW has a population of over 7.7 million, a Gross Domestic Product of $534.8 billion, a labor force of over 4 million with the fifth largest concentration of tech workers in the United States, an 8.1% job growth rate, is home to 24 Fortune 500 Firms, and boasts college enrollment of over 472,600 in colleges and universities making their home in the region. Such an economic environment has helped the region weather economic downturns in key sectors better than many other regions in the nation.

The AllianceTexas development in North Fort Worth is a 27,000-acre development that has generated an estimated $100.6 billion in economic impact with over 550 companies, generating 62,000 direct jobs. It is anchored by the inland port known as the Alliance Global Logistics Hub. This area offers a variety of commercial real estate options,

industrial space, office space, and retail facilities. Perot Field Fort Worth Alliance Airport was also just named a Top 20 U.S. Cargo Airport by the Federal Aviation Administration (www.alliancetexas.com).

Assessed value for all residential and commercial property in the City of Euless is estimated at approximately $6 billion for tax year 2022, which is a 13.1% increase from the prior year, due to increases in both residential and commercial real estate property values. Sales tax collections increased almost 18% from FY2020-21 to FY2021-22. Euless continues to look for additional revenue opportunities in order to minimize the tax burden to citizens and strives to cut costs without impacting service.

The City receives a significant amount of revenue from a consolidated rental car facility located at DFW Airport. COVID-19 had a significant impact on the travel industry and this revenue source significantly reduced in FY2019-20 but rebounded in FY2020-21 and FY2021-22. The City Council has chosen to continue to use this funding source to support general government operations and to cash flow capital projects in lieu of debt issuance when possible. The City has been very cautious to not become overly dependent on this volatile resource while providing for needed improvements for citizens.

The City of Euless has approximately 429.4 acres of undeveloped land.

The Dallas Cowboys AT&T Stadium, Texas Rangers Globe Life Park and Choctaw Stadium in Arlington are located within minutes of Euless and, continue to attract additional tourism to the City by hosting concerts and sporting events.

Euless population has increased from 51,750 to 61,480 in ten years (North Central Texas Council of Governments). The City's median household income is $69,912, which compares favorably to $64,021 for the United States (U.S. Census Bureau American Community Survey 2022). The City's educational level is 90.4% high school graduate or higher, which again is favorable to 88.9% for the United States (U.S. Census Bureau American Community Survey 2022).

Long-Term Financial Planning

The City of Euless has developed a comprehensive capital improvements document. Such strategic planning has allowed the City Council to fund several major infrastructure upgrades, park enhancements, and capital purchases in a systematic manner while considering the full impact to the operating budget and tax requirements. Many of these projects have been completed on a pay-as-you-go basis by utilizing operating revenues, excess reserves, and rental car taxes.

The City Council and citizens of Euless have determined that debt issuance is a viable method of financing major capital projects and equipment purchases. Analysis of potential debt issuance includes the operating impact the repayment thereof will have on citizens, property tax rates, and enterprise fund service fee revenues. Per the City's fiscal policies, long-term debt will not be used for operating purposes and the life of the debt instruments will not exceed the useful life of the projects or equipment financed. Policy also specifies that debt with an average life of 20 years or less will be issued to reduce net

interest cost and maintain future flexibility by paying off debt earlier. The majority of the City's existing long-term debt was used to finance infrastructure needs and traditional government facilities such as streets, utility infrastructure, and development of parks and open spaces.

The City's fiscal policies state current expenditures will be paid with current revenues. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. Reserves will be used for emergencies or nonrecurring expenditures, except when balances can be reduced because levels exceed guidelines or legally-required minimums.

Fiscal policies provide for a General Fund reserve equal to between 30 and 60 days of working capital. At no time shall the reserve fall below 8.3% of the General Fund expenditure budget (i.e. 30-day level). The current operating reserve is at 186 days of operations which equates to approximately 43% of next year's budgeted expenditures. At the end of the current year, the City was in compliance with this fiscal policy reserve level.

The City's fiscal policies for the Water and Wastewater Fund require the maintenance of a minimum reserve of 45 to 75 days of working capital. The City currently maintains a 123-day reserve. Water and Wastewater revenue bond covenants require the City to maintain reserve amounts sufficient to cover the average annual debt service requirements. This revenue bond reserve is in addition to the working capital required by the City's fiscal policies and is maintained in a separate fund on the general ledger. As of September 30, 2022, the revenue bond reserve totaled $750,550 which meets the required average annual debt service per bond covenants.

Standard & Poor's Ratings Services, a subsidiary of the McGraw-Hill Companies, Inc. rates the City's general obligation debt and sales tax revenue debt at AA and the water and wastewater revenue debt at AA+. Moody's Investor Service, Inc. rates the general obligation debt and water and wastewater revenue debt at Aa2. Additional information about the rating agencies or the significance of the ratings provided may be obtained from each agency's web site.

Major Initiatives

The City has partnered with Tarrant County, surrounding cities, local churches, and businesses to renovate qualifying homes in the community through the Tarrant County Home Program and the Community Powered Revitalization Program ("CPR"). Through these partnerships, the cities of Hurst, Euless, and Bedford have joined forces to assist qualifying residents in all three communities.

The City's Capital Improvements Program and Americans With Disability Act (ADA) Transition Plan address facility needs of the City. The Parks Master Plan, which focuses on improving the quality of life for the community, includes additional hike/bike trails, park amenities and upgrades. The City has completed several projects in the past year and has many others underway that were included in these plans. The City believes it is critical that the street, water, wastewater, and drainage systems are properly maintained

and systematically upgraded. While these are not glamorous, these represent the most basic governmental functions. Deferral of these projects creates a financial burden for future generations.

The FY2019 Street Reconstruction Project continues. This project includes Harwood Road between N. Main and State Highway 157, S. Pipeline Road from Royal Parkway to Highland Drive, Highland Drive, W. Pipeline from Raider Drive, to the western city limits and an extension of Mills Drive from State Highway 10 to Carr Park. The construction work is being performed in two phases. The first phase which includes Harwood Road, S. Pipeline Road and Highland Drive is complete. The second phase is scheduled for bid in 2023. The FY2022 Sanitary Sewer Rehabilitation is underway and the Bear Creek Elementary School Drainage Channel Improvements project is complete. The water well replacement projects at the Far North Well and Fuller Well are near completion with only flushing, testing, and final authorization needed. Various water line replacement projects at Alexander Lane and Dickey Drive are also under construction. Construction of the new Fire Station #1 is almost complete and design for Fire Station #2 and the Police / Court Facility are underway.

Over the last several years, the City has worked with developers on some major, mixed-use centers. Glade Parks, located along the southwest corner of Glade Road and Highway 121, provides approximately 1.2 million square feet of retail/office and includes a unique residential component. In an effort to promote development in this area, the City created a Tax Increment Reinvestment Zone ("TIRZ") for the Glade Parks development and approved the related project and financing plan. This plan authorized the City to undertake certain public improvements associated with the Glade Parks development. Additionally, the City created the Glade Parks Public Improvement District ("PID") which is funded from assessments within the district. Over the last several fiscal years, numerous businesses opened in this development creating increased property values and retail sales. The single-family residential component continues to add value to the property tax base as well.

The RiverWalk! development, includes approximately 200 acres located at the northwest corner of Airport Freeway and State Highway 360 extending north to Harwood Road. Lennar Homes has developed five (5) subdivisions within this mixed-use project. Approximately 63 acres has been sold and will be known as Watercolor. This development will include single family residential including villas, townhomes and rowhomes, urban lofts, and retail/commercial centered around a water feature.

The City also approved a 56-acre mixed-use development called Founders Parc, previously known as Midtown, located on the south side of State Highway 183, east of Farm-to-Market Road 157 and north of State Highway 10. Building is continuing on this development of 259 new single-family homes, 285 urban lofts, and over 57,000 square feet of retail and commercial space. Both a TIRZ and a PID have been created by the City to support debt for public improvements needed for the area including roadways, water distribution system, sanitary sewer and storm sewer collections systems, hardscaping, and amenities.

There are currently five active residential subdivisions in the City.

Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euless for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has been awarded a Certificate of Achievement for the last 35 consecutive years. We believe that the current Annual Comprehensive Financial Report meets the Certificate of Achievement program requirements and are submitting it to GFOA for review.

In addition, the City of Euless received the GFOA's Distinguished Budget Presentation Award for its annual budget document. The City of Euless has received the Distinguished Budget Award for the last 31 years. In order to qualify for the award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those who were instrumental in the successful completion of this report.

We would like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible, professional, and progressive manner. As always, the City of Euless staff welcomes and appreciates your comments.

Respectfully Submitted,

Loretta Getchell
City Manager

Janina Jewell
Director of Finance

City of Euless

FISCAL YEAR 2021-2022

Council Members

LINDA MARTIN, MAYOR
Tim Stinneford, Place One
Jeremy Tompkins, Place Two
Eddie Price, Mayor Pro Tem, Place Three
Perry Bynum, Place Four
Harry Zimmer, Place Five
Tika Paudel, Place Six

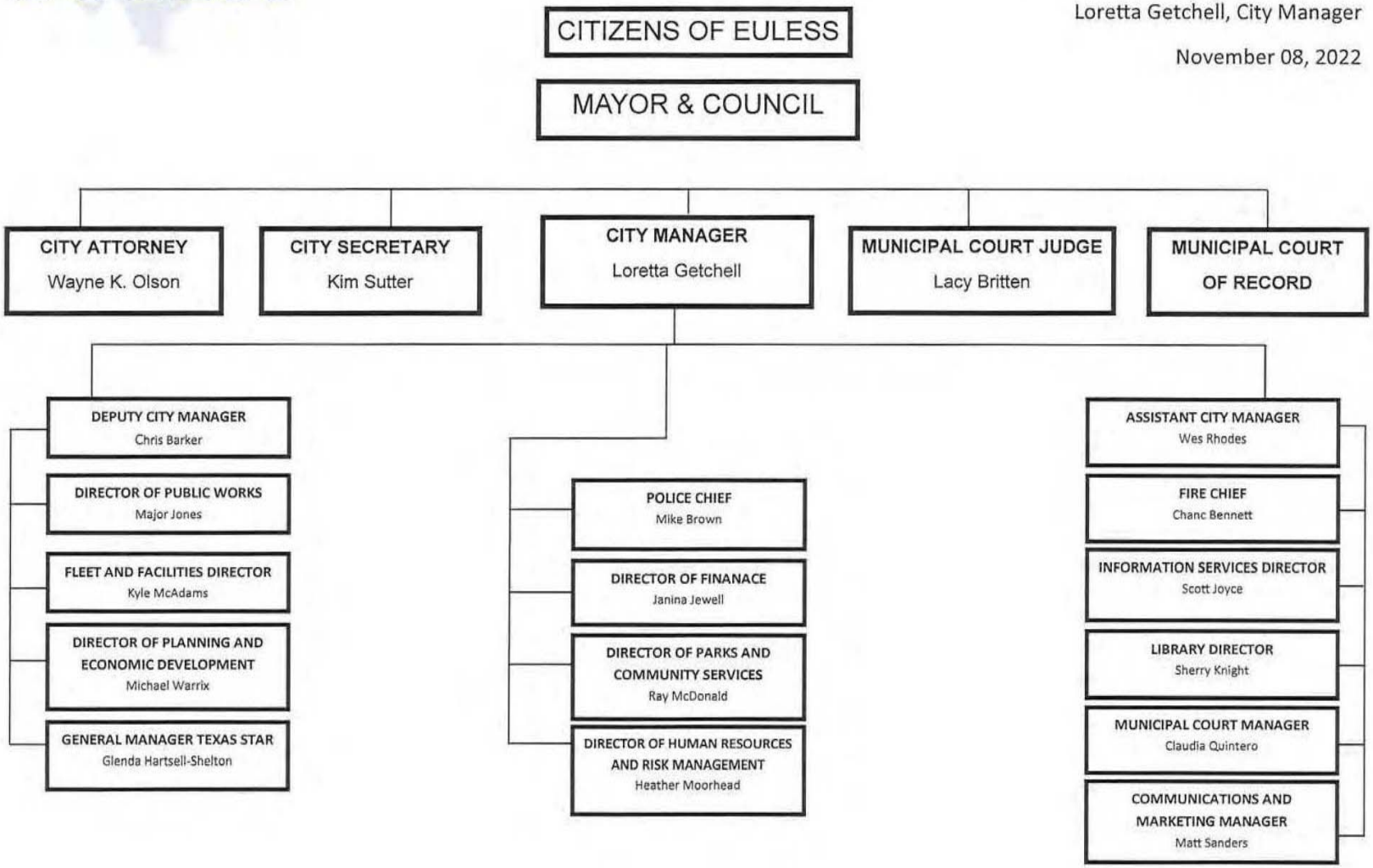
Loretta Getchell, City Manager
Chris Barker, Deputy City Manager
Wes Rhodes, Assistant City Manager

THE CITY OF EULESS

ORGANIZATIONAL CHART

Loretta Getchell, City Manager

November 08, 2022



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Euless
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

THE CITY OF
EULESS

Independent Auditor's Report

To the Honorable Mayor,
City Council and City Manager
City of Euless, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Euless, Texas (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Honorable Mayor,
City Council and City Manager

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, the raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor,
City Council and City Manager

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 27, 2023

THE CITY OF
EULESS

Management's Discussion and Analysis
For the Year Ended September 30, 2022
(Unaudited)

Management of the City of Euless offers the readers of the City's financial statements this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2022. In the broadest context, the financial well-being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so that the City's tax base, service levels, City assets, and the City's desirability will be maintained not just for the current year but well into the future.

Financial reporting is limited in its ability to provide the "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and/or expenditures higher or lower than the previous year? Has net position (containing both short-term and long-term assets and liabilities) or fund balance (the current "spendable" assets less current liabilities") of the government been maintained? Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal (pages i-vii of this report) and the statistical section (pages 118-136 of this report) as well as information in the annual budget and the capital improvement plan along with other community information found on the City's website at www.eulesstx.gov. It should be noted that the Independent Auditor's Report describes the auditors' association with the various sections of this report and that all of the additional information from the website and other City sources is unaudited.

Financial Highlights

- The assets and deferred outflows of resources of the City of Euless exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $296,262,606 (net position). This number must be viewed in the context that the vast majority of the City's net position of $197,169,040 (67%) is net investment in capital assets and that most capital assets in government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totaled $12,162,933 (4%). The remaining $86,930,633 (29%) is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- Governmental activities realized an increase in total net position of $16,458,322 and business-type activities realized an increase in total net position of $11,719,856 bringing the total increase in net position for the City to $28,178,178.
- At the close of the current fiscal year, the City of Euless' governmental funds reported combined ending fund balances of $80,866,444 which represents an increase of $11,037,295. Within this total, $4,405,396 is restricted for debt service; $15,184,734 is restricted by bond covenants for capital projects; $108,919 and $189,156 are restricted for court technology and juvenile case management, respectively; and another $2,230,259 is restricted for capital projects by developer agreements. Amounts restricted for cable PEG fees and historical preservation total $644,986 and $843, respectively. Nonspendable fund balance of $128,745 represents fund balance amounts for

inventories and prepaid items. Fund balances of $33,077,159 represent assigned fund balance in the general, special revenue, and capital projects funds. The unassigned fund balance in the General Fund of $24,896,247 can be used for any lawful purpose. The General Fund unassigned balance represents 57% of fiscal year 2022 total fund expenditures.

- The City's total capital assets (net of accumulated depreciation and amortization) increased by $8,251,892 which is attributed to completion of capital improvement projects and other asset additions including construction in progress exceeding current year depreciation expense and asset retirements.
- The City's debt payable increased by $1.4 million or 1.6% due primarily to the issuance of tax notes and leases less scheduled principal payments and annual amortization of premiums and discounts on debt issuances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City of Euless' basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Euless' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Euless' assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Euless is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash receipts and cash outlays in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities functions of the City include general and administrative, public safety, highways and streets, development services, and culture and recreation. The business-type activities of the City include water and wastewater system, drainage system, golf course, and other recreational enterprises.

The government-wide financial statements include not only the City of Euless (the primary government), but also the Euless Development Corporation, the Crime Control and Prevention District, the Tax Increment Reinvestment Zone #3 – Glade Parks, and Tax Increment Reinvestment Zone #4 – Midtown which are legally separate entities that are financially accountable to the City. A blended presentation has been used to report the financial information of these component units.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Euless, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements with the exclusion of internal service fund activity. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Car Rental Tax, and General CIP funds, all of which are considered to be major funds. Data from the other nineteen governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General, and Car Rental Tax major governmental funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with the adopted budgets.

The basic governmental fund financial statements can be found on pages 20-27 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater, drainage utility, golf operations, and other recreation enterprises. Internal service funds are an accounting device used to accumulate resources and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement, risk management, and health insurance services. Because these services predominately benefit governmental rather than business-type functions, a portion of the activities in these funds is included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water and Wastewater, Drainage Utility, Golf, and Other Recreation enterprises all of which are considered to

be major funds of the City. The internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-33 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34 and 35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-80 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension and post-employment healthcare benefits to its employees. Additionally, schedules comparing budgetary figures and actual results of the General and Car Rental Tax funds are also located in this section of the report. Required supplementary information can be found on pages 83-90 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions, OPEB, and budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 92-116 of this report.

Government-Wide Financial Statement Analysis

As noted earlier, net position and especially net position by category may serve over time as a useful indicator of a government's financial position. In the case of the City of Euless, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $296,262,606 as of September 30, 2022.

The largest portion of the City's net position (67%) reflects its investment in capital assets (i.e., land, buildings, equipment, improvements, construction in progress, and infrastructure) net of accumulated depreciation, less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending and with the exception of business-type assets, do not generate direct revenue for the City. They do, however, represent an obligation on the part of the City to maintain these assets into the future. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of

$86,930,633 (29%) may be used to meet the City's ongoing obligations to citizens, creditors, and employees.

Net Position

Amounts shown in 000's	Governmental activities		Business-type activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 128,480	$ 107,655	$ 47,793	$ 38,350	$ 176,273	$ 146,005
Capital assets	180,481	179,771	92,810	85,268	273,291	265,039
Total assets	308,961	287,426	140,603	123,618	449,564	411,044
Deferred outflows	5,613	4,287	1,343	1,121	6,956	5,408
Long-term liabilities	83,580	91,089	22,002	25,223	105,582	116,312
Other liabilities	20,804	19,275	12,129	5,237	32,933	24,512
Total liabilities	104,384	110,364	34,131	30,460	138,515	140,824
Deferred inflows	18,714	6,331	3,029	1,213	21,743	7,544
Net position:						
Net investment in capital assets	123,862	130,460	73,307	64,951	197,169	195,411
Restricted	7,579	7,441	4,583	4,674	12,162	12,115
Unrestricted	60,035	37,117	26,896	23,441	86,931	60,558
Total net position	$ 191,476	$ 175,018	$ 104,786	$ 93,066	$ 296,262	$ 268,084

As of September 30, 2022, the City reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. The same was true for the prior year.

The City's unrestricted net position increased by $26,372,004 in fiscal year 2022 as compared to the unrestricted net position for the prior year. Restricted net position realized an increase of $47,843 and the amount invested in capital assets, net of related debt increased by $1,758,331. The increase in total net position of more than $28 million results primarily from current year operating results flowing to the net investment in capital assets and unrestricted categories of net position. The details of the results of current year operations are found in the table shown on the following page.

Changes in Net Position

Amounts shown in 000's	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues:						
Charges for services	$ 6,174	$ 5,868	$ 37,643	$ 35,198	$ 43,817	$ 41,066
Operating grants and contributions	1,055	811	-	-	1,055	811
Capital grants and contributions	551	396	1,255	1,002	1,806	1,398
General revenues:						
Property taxes	24,974	24,196	-	-	24,974	24,196
Sales taxes	28,693	24,373	-	-	28,693	24,373
Car rental taxes	18,373	13,063	-	-	18,373	13,063
Mixed beverage taxes	201	171	-	-	201	171
Occupancy taxes	1,736	1,183	-	-	1,736	1,183
Gross receipts taxes	4,478	4,220	-	-	4,478	4,220
Investment income	804	124	174	42	978	166
Rents and royalties	1,567	1,574	-	-	1,567	1,574
Miscellaneous	1,305	1,082	949	-	2,254	1,082
Total revenues	89,911	77,061	40,021	36,242	129,932	113,303
EXPENSES						
Culture and recreation	7,714	6,890	-	-	7,714	6,890
Development services	934	904	-	-	934	904
General government	24,294	20,604	-	-	24,294	20,604
Highways and streets	4,016	3,906	-	-	4,016	3,906
Public safety	27,380	27,489	-	-	27,380	27,489
Interest and fiscal charges	2,417	2,507	-	-	2,417	2,507
Water and wastewater	-	-	26,754	24,824	26,754	24,824
Drainage utility	-	-	1,517	1,572	1,517	1,572
Golf course	-	-	4,704	4,201	4,704	4,201
Recreation enterprises	-	-	2,024	1,568	2,024	1,568
Total expenses	66,755	62,300	34,999	32,165	101,754	94,465
Increase (decrease) in net position before transfers	23,156	14,761	5,022	4,077	28,178	18,838
Transfers	(6,698)	987	6,698	(987)	-	-
Increase (decrease) in net position	16,458	15,748	11,720	3,090	28,178	18,838
Net position, beginning	175,018	159,270	93,066	89,976	268,084	249,246
Net position ending	$ 191,476	$ 175,018	$ 104,786	$ 93,066	$ 296,262	$ 268,084

- **Governmental activities.** Governmental activities increased the City's net position by $16,458,322 thereby accounting for most of the growth (58%) in total net position. With the exception of rents and royalties, all revenue categories exceeded those of the prior fiscal year. Most revenue categories also exceeded budget expectations except for grant revenues. At fiscal year-end, most of the American Rescue Plan Act (ARPA) funding remained unspent resulting in unearned revenue per reporting requirements. As a result, grant revenues fell far short of expectations. Sound fiscal management and close monitoring of revenues and expenses allowed the City to realize an increase in governmental activities net position before transfers of $23,156,814.

Total revenue for the governmental activities (excluding transfers) increased from the previous year by $12.8 million primarily due to a net increase in general revenues of $12.1 million combined with increased program revenues of approximately $705,000. General revenues are primarily comprised of property taxes, sales taxes, and car rental taxes. Property tax revenue increased due to an overall increase in taxable values of 2.31% over the prior year values (See Statistical Table 5). Sales taxes continued to recover as patrons adjusted to the "new normal" of everyday life resulting in increased collections of more than $4.3 million over last year. The "new normal" also provided workers with flexible schedules and work-from-home (i.e. anywhere) options leading to a host of travel opportunities. Additionally, the travel industry rebounded with a resurgence in business and personal travel. As a result, by the end of the fiscal year, car rental tax collections, which are highly dependent upon the travel industry, reached an all-time high of $18.4 million. Total governmental program revenues, which consist of charges for services, grants, and contributions, realized an increase of nearly $705,000 combined. Culture and recreation revenues realized income from capital grants of almost $349,000 from a Community Development Block Grant-Coronavirus (CDBG-CV) for the construction of a canopy at the senior center. Development services revenues dropped by approximately $429,000 due primarily to a reduction in building permit revenues resulting from declining construction levels. This trend is expected to continue as the City approaches build-out. Public safety charges for services increased by $875,000 for the year. The police department entered into a 5-year contract with the City of Bedford for jail services at a fixed rate of $650,000 annually. The department is no longer housing federal detainees for Immigration and Customs Enforcement resulting in a decline in jail revenue of $88,000. Revenues from ambulance service and municipal court fines increased approximately $162,000 and $203,000, respectively. The Midtown PID assessment accounts for the decrease in highways and streets charges for services of $265,000. Contributed capital for streets and highways declined by approximately $160,000 due to the reduction in development and associated infrastructure.

Total expenses of governmental activities increased by $4.5 million from FY2021 to FY2022. A 2% raise package plus a one-time lump sum raise of up to 3% were included for employees across all funds. The 2% raise package increased governmental salary expenses by about $465,000 and the lump-sum raises accounted for an increase in governmental activities expenses of approximately $695,000 across all functions. Benefits based upon salaries also increased accordingly. The addition of three firefighter/paramedics increased public safety salary-related expenses by an estimated $315,000. Pension-related entries decreased salary-related expenses $5 million for the current year primarily due to the recording of changes in and amortization of deferred outflows and deferred inflows (net $5.9 million increase) combined with a decrease of more than $10.9 million in the net pension liability. The latter of which resulted in a net pension asset for the year. In the prior year, these entries decreased salary-related expenses of governmental activities by $2.97 million. OPEB-related expenses which includes the change in the net OPEB liability, related deferred inflows and deferred outflows, as well as the amortization of the deferrals decreased salary-related expenses by approximately $179,000 compared to a decrease in expenses of $224,000 in the prior year. Rebates increased by $3.7 million as a result of increased sales, occupancy, and car rental taxes. Maintenance costs increased by more than $443,000 due to cost increases in software, heating and cooling, and equipment maintenance. These increases were a result of supply chain issues as well as overall inflationary pressures. Interest and fiscal charges declined by $91,000 due to a reduction in scheduled payments. The net position of general governmental operations accounts for 65% of total net position.

- **Business-type activities.** Business-type activities increased the City's net position by $11,719,856. The change in net position before transfers is $5,021,364. Charges for services program revenues for the business-type activities increased from the previous year by $2.4 million due primarily to

increased Water and Wastewater ("W&WW") revenues and golf revenues of $841,000 and $781,000, respectively. There were no rate increases to utility customers from FY2021 to FY2022. However, the volume of water consumed increased by 218 million gallons and wastewater treatment volume increased by close to 74 million gallons. Rather than receiving a refund, the annual true-up of costs with the Trinity River Authority ("TRA") subjected the City to additional costs of $41,000. In the current year, golf course rounds were slightly below those of the prior year. Due to increased operational costs resulting from supply chain issues and inflationary pressures, fees were increased in all facets of the golf course operations resulting in additional revenues. Capital grants and contributions increased by close to $252,000 due primarily to increased developer contributions of infrastructure. Miscellaneous revenues increased by $949,000 due to the receipt and subsequent expense of ARPA funds at the golf course.

Overall, total business-type expenses realized a net increase for the year of $2.8 million combined. Net pension and net OPEB related entries decreased salary and benefit costs by more than $1 million in the business-type activities this year compared to a decline of only $597,000 in the prior year. Water purchases and wastewater treatment costs climbed from the prior year as a result of increases in consumption and treatment volumes. Increased costs of $502,000 at the golf course resulted from the increased cost of goods sold, inflationary pressures, and supply chain issues. Drainage utility realized an expense decrease of almost $55,000, while other recreation enterprises realized expense increases of $456,000. Net position for business-type activities represents 35% of total net position.

Financial Analysis of the City's Funds.

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Euless' governmental funds reported combined ending fund balances of $80,866,444, which represents an increase of $11,037,295 in comparison with prior year. Approximately 31% or $24.9 million constitutes unassigned fund balance in the general fund that is available for spending at the City's discretion. Another $128,745 in non-spendable fund balance represents amounts invested in inventories and prepayments. Another portion is restricted to indicate that it is not available for new spending because it has already been committed 1) to pay debt service ($4,405,396); 2) to pay for specific capital improvements per developer agreements ($2,230,259); 3) restricted by bond covenants for specific capital projects ($15,184,734); and 4) for a variety of other restricted purposes ($943,904). Assigned fund balance includes funds that management intends to use for a specific purpose as well as any residual balances of governmental funds other than the general fund. Assigned fund balance totals $33,077,159 and includes assigned fund balance in the general fund of $187,649 and $32,889,510 represents residual balances in other governmental funds. See discussion under Fund Balance Classifications in Note 1 of the Notes to Basic Financial Statements for additional details.

In the General Fund, the City budgeted for a decrease in fund balance (i.e. a planned reduction) of $4,489,288 (revised). Due to a positive budget variance in overall revenues and expenditures, the General Fund ended the year with an increase to fund balance of $4,559,151. This figure represents a positive budget variance of $9,048,439 resulting primarily from sales tax collections, municipal court fines, ambulance fees, and building permit revenues realizing significant increases over expectations.

Budgetary expenditure savings of $2.4 million before transfers results primarily from savings in general and administrative costs of almost $1.2 million and public safety charges of nearly $868,000.

Several General Fund revenue categories realized increases over the prior year including property tax collections, general sales tax receipts, jail income, intergovernmental revenue, and rental income. General sales tax collections increased by almost $2.7 million as patrons adjusted to the "new normal" of everyday life. Flexible work schedules and inflationary pressure also contributed to this increase. Taxable property values increased over the prior year values by 2.31%, while the tax rate increased from 46.25¢ to 47.5¢ per $100 of taxable property valuation. The resulting increase in property tax collections of close to $1.2 million offset reductions from FY2021 to FY2022 in licenses and permits. Municipal court fines rose by nearly $205,000 and jail income climbed by over $586,000. The police department contracted with the City of Bedford to house their detainees for $650,000 annually. Additionally, the department is no longer housing federal detainees which resulted in a revenue loss from the prior year. Market rates as well as investment portfolio yields increased throughout the fiscal year. A resulting uptick in investment income of more than $111,000 was realized. Total revenues surpassed prior year levels by nearly $5.6 million and outpaced budgetary expectations by more than $6 million.

Expenditures increased $2 million or 4.6% over the prior year, and ended the fiscal year under budget parameters by more than $2.4 million. The employee raise packages previously mentioned combined with funding of a reinstated position and several new public safety positions increased total salary and benefit expenditures in the general fund by almost $1.1 million over the prior year. Many of the City's benefits are salary-based and increase automatically when any type of raise becomes effective. Other public safety expenditures increased by $957,000 due primarily to the additional equipment replacement user fees charged to patrol, police service and EMS/Suppression divisions. Non-departmental expenditures, which are classified in the general and administrative expenditure category, decreased by $1.8 million primarily due to a decrease in transfers to equipment replacement of just over $1 million, a decline in one-time requests of $488,000 and a reduction in the general portion of the DFW rebate of almost $114,000. Culture and recreation realized an overall increase in expenditures due to costs for equipment replacement in parks, recreation, and the senior center of approximately $285,000 combined. An increase in transfers to equipment replacement from streets and highways topped $336,000 which accounts for more than the total departmental increase. Supply chain issues and inflationary pressures are resulting in higher than anticipated vehicle, machinery, and equipment replacement costs. Whenever feasible to do so, the City will extend the useful life of these assets to accumulate additional funding for replacement and/or to wait for easing of inflationary pressures currently being experienced.

The Debt Service fund balance decreased $911,384 which is $144,649 better than the anticipated drawdown of $1,056,033. The positive variance results primarily from property tax collections surpassing projections by approximately $116,000 and interest income exceeding expectations by $24,000.

The Car Rental Tax fund balance was originally anticipated to increase $682,651, but ended the year with an increase of $3,809,641 resulting primarily from a significant turnaround in car rental revenues. The travel industry rebounded with a resurgence in business and personal travel. The "new normal" provided workers with flexible schedules and work-from-home (or elsewhere) options which also added to the industry rebound. All of these factors contributed to increased car rental revenues of $5.3 million more than the prior year and $7.5 million over budget parameters. Investment income was approximately $131,000 more than prior year levels due to rising market rates combined with an increase in investable balances in this fund. Per contractual agreement, the car rental revenues are

shared with the cities of Dallas and Fort Worth. Increased collections lead to a $3.5 million increase in expenditures, while capital outlay declined by $54,000. Transfers to other funds increased over the prior year by more than $834,000 due to an almost 50% jump in the general fund transfer, a $250,000 increase in the transfer for redevelopment, and picking up $240,000 for asset purchases in equipment replacement combined with the elimination of the transfer to the golf course CIP fund of $50,000.

The general CIP fund balance increased by $4.7 million due to the issuance of debt in the amount of $7.6 million for the fire station #2 project. Design services dropped by $129,000 which is normal for this point in the fire station #1 project; while building, equipment, and furniture expenditures all increased for this project. Total capital outlay for the general CIP fund totaled nearly $3.7 million for the year which represents an increase of $813,000 over the prior year. Fire station #1 was close to completion at the end of the fiscal year.

The non-major governmental funds realized a combined decrease in fund balance of $1,165,499; special revenue funds contributed an increase of $4,338,153, while the capital projects funds reduced the balance by $5,503,652. The car rental and streets CIP funds realized fund balance decreases as expenditures ramped up on projects funded (at least partially) in the prior fiscal year. Current year project funding for all CIP funds from transfers totaled $6.3 million while project expenditures totaled $10.9 million. The redevelopment, half-penny sales tax and developers' contribution CIP funds all added to the combined CIP fund balance. Hotel/motel collections exceeded expectations and prior year collections by $1.2 million and $553,000, respectively. Hotel/motel fund expenditures and transfers out were both up from the prior year. This fund added $950,000 to fund balance for the year. The Half-Penny Sales Tax (EDC) fund added almost $1.8 million to fund balance primarily resulting from increased sales taxes as discussed previously. Expenditures increased by $1.1 million due to an increase in parks user fees for equipment replacement and new equipment purchases; while transfers out to CIP increased by $440,000 over the prior year. The Crime and Prevention District (CCPD) fund added $547,000 to fund balance in the current year as a result of increased sales tax collections and a $478,000 increase in expenditures. Salary and benefit costs increased in the CCPD fund by approximately $425,000 primarily as a result of moving the cost of three police officers back from the General fund (i.e. moved in the prior year). The TIRZ #3 Glade Parks and the TIRZ #4 Midtown funds increased fund primarily due to the collection of property and sales taxes from participating entities outpacing debt service expenditures.

Enterprise funds. The City's enterprise fund statements provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Most of the City's enterprise funds are heavily dependent upon local weather conditions. During the year, rainfall fell short of that of a "normal" year by close to six and a quarter inches and was also short of prior year levels nearly three and a half inches.

The W&WW fund realized a decline in operating income of $1.7 million resulting primarily from increased operating revenues combined with an increase in expenses of $2.5 million. The W&WW fund revenues increased $834,000 primarily as a result of volumetric increases in water consumption and wastewater treatment. Water purchases and wastewater treatment costs rose by just over $1 million combined. Salary and benefit expenses (excluding non-departmental) increased by more than $123,000 due to the raises previously mentioned. Non-departmental expenses increased by $726,000 overall. Salary and benefit expenses in this department grew by almost $307,000 due to changes in the net pension liability/(asset) and the net OPEB liability, related current year deferred inflows and outflows, as well as the amortization of the deferrals. Franchise and administrative fees increased by almost $100,000 each from the prior year; while electric service dropped by $92,000. Including nonoperating

and other revenues and expenses, an increase of almost $7.4 million was realized in the W&WW fund for FY2022. The main force driving this increase is developer contributions ($6.9 million) which includes the transfer of Midtown water and wastewater infrastructure and land assets.

The golf course was fully operational during the year leading to increased revenues of $782,000 and net expense increases of $611,000 leading to additional operating income of $171,000 over prior year levels. Paid golf rounds were slightly below those of the prior year. Entries relating to net pension and net OPEB liabilities and related deferrals dropped salary expenses by almost $58,000. Increases in user fee transfers to equipment replacement totaled $57,000; while cost of goods sold increased by $199,000 for food, beverage, and merchandise for resale due to higher sales volumes, inflation, and supply chain issues.

The increase in net position of the Drainage Utility fund results primarily from the transfer of Midtown infrastructure assets during the current year. Other recreation enterprises operating revenues increased by $474,000, while operating expenses increased more than $636,000. Costs increases include instructor fees, equipment replacement costs, umpire fees, recreational supplies, and cost of goods sold. Arbor Daze, which was canceled in the prior year, saw costs increase by $73,000. The net result of the other recreational activity was a loss of $283,000.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, totaled $273,291,047 (net of accumulated depreciation and amortization). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The net increase in the City's investment in capital assets for the current fiscal year was $8,161,892 or about 3%. Major capital asset activity that occurred during the current fiscal year included the following:

- Capital asset contributions were comprised of $7,724,000 in Midtown water, wastewater, and drainage infrastructure and land; Community Development Block Grant funding of wastewater lines and a canopy at the senior center; and developer asset dedications totaling just over $765,000 in street infrastructure, water and wastewater facilities, and drainage structures.
- Capital asset additions for governmental activities include, but are not limited to, IBM AS/400 server replacement, traffic signal preemption equipment, self-loan station for the library, a digital posting board, and a several HVAC replacements. Completed projects for the year include the senior center canopy, Midtown redevelopment infrastructure, and several property purchases.
- Construction-in-progress related to general government activity of $19,933,713 primarily consists of the following projects: fire station #1 ($6.6M), FY2019 street reconstruction ($12M), and FY2022 street improvements ($962K). Blessing Branch and Wilshire park improvements are also currently underway and have incurred expenditures of $258,000.
- Capital asset additions for the business-type activities include, but are not limited to, purchase of an express oven, outfield fencing at Royal Field, and a yard control gate for public works.
- Water lines along Fuller Wiser Road, Alexander Lane, and Dickey Drive were completed during the fiscal year. Wastewater infrastructure completed projects include: Del Paso Phases I and II; mains along South Pipeline Road/Highway 10; and the 47th year CDBG project. Bear Creek channel improvements were also completed during the year.

- Construction-in-progress related to business-type operations of $10,704,946 primarily consists of the Well Replacement project.

Capital Assets (Net of Accumulated Depreciation)

Amounts shown in 000's	Governmental activities		Business-type activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	$ 42,947	$ 37,237	$ 5,719	$ 3,619	$ 48,666	$ 40,856
Buildings	36,358	38,646	1,179	1,303	37,537	39,949
Other improvements	15,750	12,838	8,189	8,738	23,939	21,576
M&E	11,835	11,915	1,185	1,440	13,020	13,355
Infrastructure	53,459	52,569	65,630	59,740	119,089	112,309
Right-to-use equipment	198	-	203	-	401	-
Construction in Progress	19,934	26,566	10,705	10,428	30,639	36,994
Totals	$ 180,481	$ 179,771	$ 92,810	$ 85,268	$ 273,291	$ 265,039

Additional information on the City's capital assets can be found in Note 3 on pages 55-56 of this report.

Long-term debt. At fiscal year-end, the City's outstanding debt totaled $89,400,294 net of unamortized losses on prior refundings. Of this amount, $65,577,410 comprises debt backed by the full faith and credit of the government, where $4,469,338 is the amount of self-supported debt for Texas Star Golf Course and Stars Center. The remainder of the City's debt, $21,822,885, represents bonds secured solely by specific revenue sources (i.e. revenue bonds).

Outstanding Debt

Amounts shown in 000's	Governmental activities		Business-Type activities		Totals	
	2022	2021	2022	2021	2022	2021
GO bonds	$ 3,010	$ 4,115	$ 2,775	$ 3,295	$ 5,785	$ 7,410
COs	52,560	54,930	-	-	52,560	54,930
GO/CO deferred loss	(92)	(133)	(232)	(278)	(324)	(411)
Tax notes	9,155	2,370	-	-	9,155	2,370
Leases	198	-	203	-	401	-
Revenue bonds	5,025	5,245	16,835	17,780	21,860	23,025
Revenue deferred loss	-	-	(37)	(56)	(37)	(56)
Totals	$ 69,856	$ 66,527	$ 19,544	$ 20,741	$ 89,400	$ 87,268

In fiscal year 2022, the City issued $7,660,000 in new tax notes and $486,827 in lease liabilities were recorded. No new bonded debt was issued for the City's enterprise operations during the year. The City's total debt increased $2,132,379 (exclusive of deferred losses) or 2.44% during fiscal year 2022 and is attributed to the addition of the new debt less scheduled annual principal payments and annual amortization of premiums and discounts on debt issues.

Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. rates the City's general obligation debt and revenue debt at AA and the water and wastewater revenue debt at AA+. Moody's Investor Service, Inc. rates the general obligation debt and the water and wastewater revenue debt at Aa2 and the sales tax revenue debt at Aa2. Additional information on the City's long-term debt can be found in Note 4 on pages 57-63.

Economic Factors and Next Year's Budgets and Rates

In the FY2022-23 budget, General Fund revenues and transfers in are budgeted to increase by 9.7% from the FY2021-22 original budget. Property taxes account for 40% of budgeted revenues and sales taxes comprise approximately 34% of budgeted revenues. Certified assessed valuations as of July 25, 2022 increased 13% from the preceding year. The property tax rate decreased from 47.5¢ per $100 of taxable assessed valuation to 46¢ per $100 of taxable assessed valuation for FY2022-23.

In the FY2022-23 budget, total sales tax receipts are projected to increase approximately $4.1 million over the FY2021-22 original projections. The car rental tax receipts are budgeted below prior year actual collections due mainly to the timing of budget preparation. By the end of FY2021-22, monthly car rental tax receipts were exceeding pre-pandemic levels and this trend is anticipated to continue into future. However, the budget preparation work was completed prior to receipt of final collection results for FY2021-22.

Baseline budgeted expenditures in the General Fund are projected to increase approximately 9.5% from the FY2021-22 original budget excluding capital programs. The proposed employee pay plan includes a baseline salary increase of 7% as well as funding for additional amounts of up to 3% for those employees that are not eligible for step increases. A one-time lump sum increase of 3% is included for employees that are not eligible for merit or step increases. The City elected to use excess reserves to fund capital needs.

For the Water and Wastewater Fund, the FY2022-23 budget includes the continuation of the tiered rate structure for residential and irrigation water volume billing. Under the tiered structure, customers pay a graduated volume rate based on varying levels of monthly water consumption. Residential volume rates range from $4.77 to $7.40 per thousand gallons. A wastewater volume charge of $4.53 per thousand gallons applies to all customer classes. Residential wastewater volume charges are capped at a maximum of 12,000 gallons per month. Residential base rates on water and wastewater service both increased $1 per month. The City maintained annual funding of $1,075,000 for pay-as-you-go capital expenses. Additionally, funding from the American Rescue Plan Act of 2021 will allow the City to expand the number of projects undertaken in the upcoming fiscal year. Planned projects primarily include infrastructure improvements such as wastewater lines in Cedar Hill Estates South Phases I and II and Trailwood Addition as well as water line replacements in Midway Park 1st Addition, Oakwood Terrace, and along South Main Street.

The Texas Star Golf Course and Conference Centre is a vibrant part of the Euless community. This secluded facility, located in the midst of the Dallas/Fort Worth Metroplex, is well-known for world class golf and a challenging course that has been recognized as a premier municipal facility by leading golf publications, including *Golf Digest* and *Golfweek*. Additionally, Raven's Grille and the Conference Centre continue to receive rave reviews. The Conference Centre has 7,000 square feet of divisible space and hosts business conferences, weddings, concerts, and other events. Proposed revenues of $4,926,715 and proposed operating expenses of $4,879,599 plus capital expenses of $120,000.

Request for Information

The financial report is designed to provide citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need additional information, contact the Finance Department, Attn: Janina Jewell, Director of Finance, at 201 North Ector Drive, Euless, Texas 76039, call (817) 685-1626, or e-mail jjewell@eulesstx.gov.

CITY OF EULESS, TEXAS
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	$ 95,123,863	$ 25,409,863	$ 120,533,726
Receivables, net of allowances	10,947,100	5,002,439	15,949,539
Lease receivables	5,418,653	393,424	5,812,077
Internal balances	(5,026,074)	5,026,074	-
Inventories, at cost	7,358	273,677	281,035
Prepaid items	1,080,131	27,774	1,107,905
Restricted assets			
Deposits and investments	20,901,497	11,481,461	32,382,958
Net pension asset	27,400	177,629	205,029
Capital assets			
Land and construction in progress	62,881,042	16,423,491	79,304,533
Other capital assets, net of accumulated depreciation/amortization	117,599,697	76,386,817	193,986,514
Total assets	308,960,667	140,602,649	449,563,316
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	4,560,959	875,100	5,436,059
Deferred outflows related to OPEB	960,103	198,968	1,159,071
Deferred charges on refunding	91,942	269,024	360,966
Total deferred outflows of resources	5,613,004	1,343,092	6,956,096
LIABILITIES			
Accounts payable	13,526,855	2,617,329	16,144,184
Contracts payable	2,457,426	276,721	2,734,147
Accrued liabilities	1,602,097	246,932	1,849,029
Accrued interest payable	265,878	84,815	350,693
Unearned revenue	2,951,078	6,588,819	9,539,897
Money held in escrow	-	2,314,235	2,314,235
Noncurrent liabilities			
Due within one year	6,331,732	1,602,010	7,933,742
Due in more than one year	77,247,994	20,400,132	97,648,126
Total liabilities	104,383,060	34,130,993	138,514,053
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	671,513	136,377	807,890
Deferred inflows related to pension	12,623,779	2,499,007	15,122,786
Deferred inflows related to leases	5,418,653	393,424	5,812,077
Total deferred inflows of resources	18,713,945	3,028,808	21,742,753
NET POSITION			
Net investment in capital assets	123,862,163	73,306,877	197,169,040
Restricted for			
Debt service	4,405,396	1,348,929	5,754,325
Impact fees	-	3,234,445	3,234,445
Developer agreements	2,230,259	-	2,230,259
Court technology	108,919	-	108,919
Juvenile cases	189,156	-	189,156
Cable PEG fees	644,986	-	644,986
Historical preservation	843	-	843
Unrestricted	60,034,944	26,895,689	86,930,633
Total net position	$ 191,476,666	$ 104,785,940	$ 296,262,606

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022

Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government							
Governmental activities							
Culture and recreation	$ 7,714,207	$ 319,544	$ 487	$ 348,819	$ (7,045,357)	$ -	$ (7,045,357)
Development services	934,100	1,149,319	-	-	215,219	-	215,219
General and administrative	24,293,764	787,552	17,813	-	(23,488,399)	-	(23,488,399)
Highways and streets	4,015,628	717,124	-	201,980	(3,096,524)	-	(3,096,524)
Public safety	27,379,929	3,200,585	1,036,403	-	(23,142,941)	-	(23,142,941)
Interest and fiscal agent charges	2,417,173	-	-	-	(2,417,173)	-	(2,417,173)
Total governmental activities	66,754,801	6,174,124	1,054,703	550,799	(58,975,175)	-	(58,975,175)
Business-type activities							
Water and wastewater	26,754,590	29,412,986	-	1,214,738	-	3,873,134	3,873,134
Drainage utility	1,517,199	1,193,159	-	39,794	-	(284,246)	(284,246)
Golf course	4,703,615	5,131,494	-	-	-	427,879	427,879
Other recreation enterprises	2,024,308	1,905,434	-	-	-	(118,874)	(118,874)
Total business-type activities	34,999,712	37,643,073	-	1,254,532	-	3,897,893	3,897,893
Total primary government	$ 101,754,513	$ 43,817,197	$ 1,054,703	$ 1,805,331	(58,975,175)	3,897,893	(55,077,282)
General Revenues							
Taxes							
Property taxes, levied for general purposes					24,974,349	-	24,974,349
Sales taxes					28,693,421	-	28,693,421
Car rental taxes					18,372,898	-	18,372,898
Mixed beverage taxes					201,348	-	201,348
Hotel/motel occupancy taxes					1,736,088	-	1,736,088
Gross receipts taxes					4,478,146	-	4,478,146
Investment income					804,074	174,403	978,477
Rents and royalties					1,567,269	-	1,567,269
Miscellaneous					1,304,396	949,068	2,253,464
Transfers					(6,698,492)	6,698,492	-
Total general revenues and transfers					75,433,497	7,821,963	83,255,460
Change in net position					16,458,322	11,719,856	28,178,178
NET POSITION, beginning of year					175,018,344	93,066,084	268,084,428
NET POSITION, end of year					$ 191,476,666	$ 104,785,940	$ 296,262,606

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	Debt Service Fund	Car Rental Tax Fund
ASSETS			
Deposits and investments	$ 24,160,358	$ 2,280,217	$ 16,580,565
Receivables			
Property taxes	335,250	90,304	-
Accounts receivable	1,150,008	1,374	-
Accrued interest receivable	37,979	-	28,943
Due from other governments	3,168,352	-	3,074,025
Lease receivable	1,193,137	2,456,419	-
Prepaids and deposits	105,732	-	-
Inventories, at cost	7,358	-	-
Restricted deposits and investments	-	-	1,962,219
Total assets	$ 30,158,174	$ 4,828,314	$ 21,645,752
LIABILITIES			
Accounts payable	$ 1,366,146	$ 500	$ 10,985,282
Contracts payable	-	-	-
Accrued liabilities	1,046,232	-	-
Unearned revenue	-	-	1,962,219
Total liabilities	2,412,378	500	12,947,501
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	335,250	87,330	-
Unavailable revenue - other	911,504	41,250	-
Deferred inflow related to leases	1,193,137	2,456,419	-
Total deferred inflows of resources	2,439,891	2,584,999	-
FUND BALANCES			
Nonspendable			
Prepaids, deposits, and inventories	113,090	-	-
Restricted for			
Debt service	-	2,242,815	-
Capital projects	-	-	-
Developer agreements	-	-	-
Court technology	108,919	-	-
Juvenile case management	-	-	-
Cable PEG fees	-	-	-
Historical preservation	-	-	-
Assigned	187,649	-	8,698,251
Unassigned	24,896,247	-	-
Total fund balances	25,305,905	2,242,815	8,698,251
Total liabilities, deferred inflows of resources, and fund balances	$ 30,158,174	$ 4,828,314	$ 21,645,752

The Notes to the Basic Financial Statements are an integral part of these statements.

General CIP Fund	Non-major Governmental Funds	Total Governmental Funds
$ 2,705,182	$ 25,082,580	$ 70,808,902
-	38,434	463,988
33,284	541,359	1,726,025
9,737	19,324	95,983
-	1,904,806	8,147,183
-	1,769,097	5,418,653
-	15,655	121,387
-	-	7,358
9,391,394	9,250,491	20,604,104
$ 12,139,597	$ 38,621,746	$ 107,393,583
$ -	$ 752,465	$ 13,104,393
644,556	1,812,870	2,457,426
-	130,109	1,176,341
-	988,859	2,951,078
644,556	3,684,303	19,689,238
-	-	422,580
-	43,914	996,668
-	1,769,097	5,418,653
-	1,813,011	6,837,901
-	15,655	128,745
-	2,162,581	4,405,396
8,746,838	6,437,896	15,184,734
-	2,230,259	2,230,259
-	-	108,919
-	189,156	189,156
-	644,986	644,986
-	843	843
2,748,203	21,443,056	33,077,159
-	-	24,896,247
11,495,041	33,124,432	80,866,444
$ 12,139,597	$ 38,621,746	$ 107,393,583

THE CITY OF
EULESS

CITY OF EULESS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Total fund balances - governmental funds	$ 80,866,444
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of governmental funds are not current financial resources and therefore are not reported in the governmental funds balance sheet.	174,376,965
Interest payable on long-term debt does not require current financial resources, therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(265,878)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are net of the amount allocated to business-type activities.	26,311,059
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	1,419,248
Funds comprising the net OPEB liability ($9,168,287), deferred inflows ($671,513) and deferred outflows $960,103 of resources related to the OPEB are not current financial resources and therefore are not reported in the governmental funds balance sheet.	(8,879,697)
Funds comprising the net pension asset $27,400, deferred inflows ($12,623,779) and deferred outflows $4,560,959 of resources related to the pension are not current financial resources and therefore, are not reported in the governmental funds balance sheet.	(8,035,420)
Long-term liabilities, including bonds payable, deferred charges on refundings, and compensated absences (excluding those of internal service funds) are not due and payable in the current period and therefore, are not reported in the fund financial statements.	(74,316,055)
Net position of governmental activities	$ 191,476,666

The Notes to the Basic Financial Statements
are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	General Fund	Debt Service Fund	Car Rental Tax Fund
Revenues			
General property tax	$ 19,378,218	$ 3,686,153	$ -
Gross receipts tax	4,398,363	-	-
Mixed beverage tax	201,349	-	-
General sales tax	17,498,088	-	-
Car rental tax	-	-	18,372,898
Fines and fees	3,652,725	-	-
Licenses and permits	1,127,642	-	-
Investment income	173,661	141,728	137,438
DEA revenues	-	-	-
Intergovernmental	908,347	-	-
Rents and royalties	-	419,187	-
Other revenues	1,437,131	-	-
Total revenues	48,775,524	4,247,068	18,510,336
Expenditures			
Current			
Culture and recreation	3,555,786	-	-
Development services	785,980	-	-
General and administrative	9,649,628	-	12,248,360
Highways and streets	1,518,171	-	-
Public safety	27,449,656	-	-
Debt service			
Principal	61,897	4,350,000	-
Interest and fiscal charges	1,189	2,248,929	-
Capital outlay	971,369	-	-
Total expenditures	43,993,676	6,598,929	12,248,360
Excess (deficiency) of revenues over (under) expenditures	4,781,848	(2,351,861)	6,261,976
Other financing sources (uses)			
Issuance of lease	259,697	-	-
Issuance of debt	-	60,000	-
Proceeds from sale of assets	30,650	-	-
Transfers in	2,744,924	2,380,202	-
Transfers out	(3,257,968)	(999,725)	(2,452,335)
Total other financing sources (uses)	(222,697)	1,440,477	(2,452,335)
Net change in fund balances	4,559,151	(911,384)	3,809,641
Fund balances, beginning of year	20,746,754	3,154,199	4,888,610
Fund balances, end of year	$ 25,305,905	$ 2,242,815	$ 8,698,251

The Notes to the Basic Financial Statements are an integral part of these statements.

General CIP Fund	Non-major Governmental Funds	Total Governmental Funds
$ -	$ 2,171,871	$ 25,236,242
-	1,815,871	6,214,234
-	-	201,349
-	11,195,333	28,693,421
-	-	18,372,898
-	-	3,652,725
-	-	1,127,642
51,333	207,792	711,952
-	42,175	42,175
-	131,605	1,039,952
122,190	79,198	620,575
348,819	788,518	2,574,468
522,342	16,432,363	88,487,633
-	3,779,487	7,335,273
-	207,847	993,827
-	857,701	22,755,689
-	9,872	1,528,043
-	3,212,427	30,662,083
-	220,000	4,631,897
-	182,125	2,432,243
3,662,247	11,080,820	15,714,436
3,662,247	19,550,279	86,053,491
(3,139,905)	(3,117,916)	2,434,142
-	-	259,697
7,600,000	-	7,660,000
-	168,750	199,400
391,291	6,340,709	11,857,126
(106,000)	(4,557,042)	(11,373,070)
7,885,291	1,952,417	8,603,153
4,745,386	(1,165,499)	11,037,295
6,749,655	34,289,931	69,829,149
$ 11,495,041	$ 33,124,432	$ 80,866,444

THE CITY OF
EULESS

CITY OF EULESS, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds	$ 11,037,295
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount of capital expenditures recorded in the current period.	15,714,436
Governmental funds do not report contributions of assets to enterprise funds, but the governmental activities do. This is the value of assets transferred to enterprise funds.	(7,724,247)
Governmental funds report cash proceeds from the disposal of capital assets as revenues, while only the net gain/loss on the transaction is reported in the statement of activities and capital contributions are not reported in governmental funds. This is the amount of capital contributions and disposals recorded in the current period.	(805,909)
Depreciation and amortization expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation and amortization expenses are not reported as expenditures in the governmental funds.	(6,731,155)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.	(7,919,697)
The repayment of the principal of long-term debt consumes current financial resources of governmental funds, but has no effect on net position.	4,631,897
Governmental funds report the effect of premiums, discounts, and deferred charges on refunding when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	146,565
Current year changes in the long-term liabilities for compensated absences do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds.	(152,662)
Current year changes in accrued interest payables do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds.	15,070
Changes in the net OPEB liability and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements.	179,243
Changes in the net pension liability and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual basis are recognized on the accrual basis in the government-wide financial statements.	5,009,515
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of the amount allocated to business-type activities.	3,201,455
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(143,484)
Change in net position of governmental activities	$ 16,458,322

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2022

ASSETS	Business-Type Activities - Enterprise Funds: Water and Wastewater	Drainage Utility	Golf Course	Other Recreation Enterprises	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Current assets						
Deposits and investments	$ 20,096,501	$ 1,074,603	$ 2,854,282	$ 1,384,477	$ 25,409,863	$ 24,314,961
Accounts receivable and unbilled revenue less allowance for uncollectibles of $16,307 for water and wastewater and $307 for drainage utility	4,382,201	263,245	301,610	26,258	4,973,314	462,833
Accrued interest receivable	29,125	-	-	-	29,125	51,087
Lease receivable	-	-	-	36,856	36,856	-
Prepaids and deposits	18,228	-	9,546	-	27,774	958,744
Inventory	135,813	-	100,706	37,158	273,677	-
Total unrestricted current assets	24,661,868	1,337,848	3,266,144	1,484,749	30,750,609	25,787,625
Restricted deposits and investments						
W&WW impact fees	3,234,445	-	-	-	3,234,445	-
Capital projects	6,898,087	-	-	-	6,898,087	297,393
Revenue bond reserve for debt service	1,348,929	-	-	-	1,348,929	-
Total restricted assets	11,481,461	-	-	-	11,481,461	297,393
Total current assets	36,143,329	1,337,848	3,266,144	1,484,749	42,232,070	26,085,018
Non-current assets						
Net pension asset	51,182	77,565	42,729	6,153	177,629	-
Lease receivable	-	-	-	356,568	356,568	-
Property, plant, and equipment in service, at cost						
Land	3,676,667	559,826	897,520	584,532	5,718,545	-
Building	97,094	-	3,621,666	488,275	4,207,035	-
Equipment	1,604,450	10,380	515,531	1,644,238	3,774,599	16,868,092
Improvements	1,097,774	1,171,994	8,963,462	10,095,527	21,328,757	-
Construction in progress	10,704,946	-	-	-	10,704,946	-
Utility system	102,152,366	31,457,005	-	-	133,609,371	-
Right-to-use equipment	24,238	-	157,878	45,014	227,130	-
Total property, plant, and equipment in service	119,357,535	33,199,205	14,156,057	12,857,586	179,570,383	16,868,092
Less accumulated depreciation/amortization	52,551,989	18,125,757	9,064,724	7,017,605	86,760,075	10,764,318
Net property, plant, and equipment in service	66,805,546	15,073,448	5,091,333	5,839,981	92,810,308	6,103,774
Total non-current assets	66,856,728	15,151,013	5,134,062	6,202,702	93,344,505	6,103,774
Total assets	103,000,057	16,488,861	8,400,206	7,687,451	135,576,575	32,188,792
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	656,733	72,679	123,950	21,738	875,100	-
Deferred outflows related to OPEB	147,127	19,387	27,818	4,636	198,968	-
Deferred charges on refunding	37,115	-	231,909	-	269,024	-
Total deferred outflows of resources	840,975	92,066	383,677	26,374	1,343,092	-

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS – CONTINUED
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental Activities -
LIABILITIES	**Water and Wastewater**	**Drainage Utility**	**Golf Course**	**Other Recreation Enterprises**	**Total Enterprise Funds**	**Internal Service Funds**
Current liabilities						
Payable from current assets						
Accounts payable	$ 2,432,252	$ 37,102	$ 73,525	$ 74,450	$ 2,617,329	$ 422,462
Contracts payable	276,721	-	-	-	276,721	-
Accrued salaries and wages	144,425	20,357	68,980	13,170	246,932	5,805
Current portion of bonds payable	960,000	-	530,000	-	1,490,000	-
Current portion of compensated absences	28,342	3,109	6,887	1,218	39,556	344
Current portion of lease liability	5,797	-	38,275	10,765	54,837	-
Accrued insurance claims	-	-	-	-	-	419,951
Unearned revenue	6,500,000	-	88,819	-	6,588,819	-
Accrued interest	76,555	-	8,260	-	84,815	-
Total current liabilities	10,424,092	60,568	814,746	99,603	11,399,009	848,562
Non-current liabilities						
Customer and escrow deposits	2,168,872	-	145,363	-	2,314,235	-
Net OPEB liability	1,268,178	139,902	261,145	43,524	1,712,749	-
Bonds payable	15,860,852	-	2,339,512	-	18,200,364	-
Compensated absences	255,081	27,986	61,985	10,963	356,015	3,097
Lease liability	12,664	-	112,436	23,521	148,621	-
Total non-current liabilities	19,565,647	167,888	2,920,441	78,008	22,731,984	3,097
Total liabilities	29,989,739	228,456	3,735,187	177,611	34,130,993	851,659
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	1,833,654	241,915	362,947	60,491	2,499,007	-
Deferred inflows related to OPEB	100,074	13,682	19,389	3,232	136,377	-
Deferred inflows related to leases	-	-	-	393,424	393,424	-
Total deferred inflows of resources	1,933,728	255,597	382,336	457,147	3,028,808	-
NET POSITION						
Net investment in capital assets	50,124,714	15,073,448	2,303,020	5,805,695	73,306,877	6,103,774
Restricted for						
Impact fees	3,234,445	-	-	-	3,234,445	-
Debt service	1,348,929	-	-	-	1,348,929	-
Unrestricted	17,209,477	1,023,426	2,363,340	1,273,372	21,869,615	25,233,359
Total net position	$ 71,917,565	$ 16,096,874	$ 4,666,360	$ 7,079,067	99,759,866	$ 31,337,133
Reconciliation to government-wide statement of net position						
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds					5,026,074	
Net position of business-type activities					$ 104,785,940	

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Wastewater	Drainage Utility	Golf Course	Other Recreation Enterprises	Total Enterprise Funds	
Operating revenues						
Water service	$ 16,446,768	$ -	$ -	$ -	$ 16,446,768	$ -
Reclaimed water service	946,434	-	-	-	946,434	-
Wastewater service	10,709,042	-	-	-	10,709,042	-
Drainage fees	-	1,193,159	-	-	1,193,159	-
Recreation fees	-	-	-	595,175	595,175	-
Insurance premiums	-	-	-	-	-	6,663,545
Service fees and miscellaneous	1,307,192	-	5,129,344	1,311,974	7,748,510	5,884,884
Total operating revenues	29,409,436	1,193,159	5,129,344	1,907,149	37,639,088	12,548,429
Operating expenses						
General and administrative	520,990	-	-	-	520,990	2,136,329
Water production	9,875,008	-	-	-	9,875,008	-
Water distribution	1,708,377	-	-	-	1,708,377	-
Utility engineering	512,412	-	-	-	512,412	-
Wastewater collection and treatment	5,595,451	-	-	-	5,595,451	-
Nondepartmental	4,506,581	-	-	-	4,506,581	-
Geographic information systems	706,070	-	-	-	706,070	-
Service center	1,200,725	-	-	-	1,200,725	-
Drainage	-	710,003	-	-	710,003	-
Recreation classes	-	-	-	430,715	430,715	-
Golf course	-	-	1,456,187	-	1,456,187	-
Pro shop	-	-	485,295	-	485,295	-
Food and beverage	-	-	1,375,316	-	1,375,316	-
Conference center	-	-	695,977	-	695,977	-
Cart operations	-	-	282,927	-	282,927	-
Parks at Texas Star	-	-	-	1,250,772	1,250,772	-
Arbor Daze	-	-	-	73,370	73,370	-
Insurance costs	-	-	-	-	-	6,177,297
Depreciation	2,279,949	781,545	404,047	455,031	3,920,572	1,478,176
Amortization	25,620	-	34,646	10,728	70,994	-
Total operating expenses	26,931,183	1,491,548	4,734,395	2,220,616	35,377,742	9,791,802
Operating income (loss)	2,478,253	(298,389)	394,949	(313,467)	2,261,346	2,756,627

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS – CONTINUED
YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Wastewater	Drainage Utility	Golf Course	Other Recreation Enterprises	Total Enterprise Funds	
Nonoperating revenues (expenses)						
Gain (loss) on sale of capital assets	$ 3,550	$ -	$ 2,150	$ (1,715)	$ 3,985	$ 492,026
Intergovernmental revenue	-	-	949,068	-	949,068	-
Investment income	141,754	7,654	11,008	13,987	174,403	125,078
Interest expense	(265,575)	-	(70,165)	(206)	(335,946)	-
Total nonoperating revenues (expenses), net	(120,271)	7,654	892,061	12,066	791,510	617,104
Income (loss) before contributions and transfers	2,357,982	(290,735)	1,287,010	(301,401)	3,052,856	3,373,731
Developer contributions	6,869,167	2,109,613	-	-	8,978,780	-
Transfers in	-	-	487,523	18,760	506,283	843,949
Transfers out	(1,788,138)	(46,150)	-	-	(1,834,288)	-
Net income (loss)	7,439,011	1,772,728	1,774,533	(282,641)	10,703,631	4,217,680
Net position, beginning	64,478,554	14,324,146	2,891,827	7,361,708		27,119,453
Net position, end of year	$ 71,917,565	$ 16,096,874	$ 4,666,360	$ 7,079,067		$ 31,337,133

Reconciliation to government-wide statement of net position	
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds	1,016,225
Change in net position of business-type activities	$ 11,719,856

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Wastewater	Drainage Utility	Golf Course	Other Recreation Enterprises	Total Enterprise Funds	
OPERATING ACTIVITIES						
Cash received from customers	$ 29,302,816	$ 1,029,239	$ 5,042,566	$ 1,895,731	$ 37,270,352	$ 12,318,064
Cash payments to suppliers for goods and services	(14,897,818)	(306,851)	(2,433,143)	(1,361,727)	(18,999,539)	(8,485,347)
Cash payments to employees for services	(3,705,794)	(457,252)	(2,004,232)	(407,831)	(6,575,109)	(141,546)
Net cash provided by operating activities	10,699,204	265,136	605,191	126,173	11,695,704	3,691,171
NONCAPITAL FINANCING ACTIVITIES						
Transfer in	-	-	487,523	18,760	506,283	843,949
Transfer out	(1,788,138)	(46,150)	-	-	(1,834,288)	-
Intergovernmental revenue	-	-	949,068	-	949,068	-
Net cash provided by (used in) noncapital financing activities	(1,788,138)	(46,150)	1,436,591	18,760	(378,937)	843,949
CAPITAL AND RELATED FINANCING ACTIVITIES						
Impact fees	182,749	-	-	-	182,749	-
Acquistion/construction of capital assets	(1,851,320)	(544,040)	-	(71,335)	(2,466,695)	(1,743,415)
Interest paid on capital debt	(267,554)	-	(71,465)	(206)	(339,225)	-
Principal paid on capital debt	(945,000)	-	(520,000)	-	(1,465,000)	-
Principal paid on leases	(5,777)		(7,167)	(10,729)	(23,673)	-
Proceeds from sale of capital assets	3,550	-	2,150	1,990	7,690	500,404
Net cash used in capital and related financing activities	(2,883,352)	(544,040)	(596,482)	(80,280)	(4,104,154)	(1,243,011)
INVESTING ACTIVITIES						
Interest received on investments	120,022	7,654	11,008	13,987	152,671	77,578
Net cash provided by investing activities	120,022	7,654	11,008	13,987	152,671	77,578
Net change in cash and cash equivalents	6,147,736	(317,400)	1,456,308	78,640	7,365,284	3,369,687
Cash and cash equivalents, beginning of year	25,430,226	1,392,003	1,397,974	1,305,837	29,526,040	21,242,667
Cash and cash equivalents, end of year	$ 31,577,962	$ 1,074,603	$ 2,854,282	$ 1,384,477	$ 36,891,324	$ 24,612,354
Noncash Financing Activities						
Contribution of capital assets	$ 6,686,418	$ 2,109,613	$ -	$ -	$ 8,796,031	$ -
Capital acquired with lease financing	$ 24,238	$ -	$ 157,878	$ 45,014	$ 227,130	$ -

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – CONTINUED
YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds					Governmental Activities -
	Water and Wastewater	Drainage Utility	Golf Course	Other Recreation Enterprises	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	$ 2,478,253	$ (298,389)	$ 394,949	$ (313,467)	$ 2,261,346	$ 2,756,627
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	2,305,569	781,545	438,693	465,759	3,991,566	1,478,176
Changes in assets and liabilities:						
Accounts receivable and unbilled revenue	(182,155)	(163,920)	(100,998)	(404,842)	(851,915)	(230,365)
Prepaids and deposits	28,046	-	(1,098)	1,016	27,964	-
Inventory	(1,003)	-	(13,160)	(23,893)	(38,056)	-
Net pension asset	(51,182)	(77,565)	(42,729)	(6,153)	(177,629)	
Net OPEB liability	21,424	2,810	4,215	702	29,151	-
Net pension liability	(1,548,121)	(132,179)	(271,888)	(46,283)	(1,998,471)	-
Deferred outflows	(212,473)	(28,287)	(39,693)	(6,615)	(287,068)	-
Deferred inflows	1,048,787	139,168	201,295	426,973	1,816,223	-
Accounts payable	184,166	27,921	11,045	27,383	250,515	108,293
Accrued salaries and wages	33,851	5,349	11,479	3,660	54,339	(1,511)
Accrued insurance claims	-	-	-	-	-	(420,049)
Compensated absences	18,507	8,683	(1,139)	1,933	27,984	-
Customer and escrow deposits	75,535	-	11,607	-	87,142	-
Unearned revenue	6,500,000	-	2,613	-	6,502,613	-
Net cash provided by operating activities	$ 10,699,204	$ 265,136	$ 605,191	$ 126,173	$ 11,695,704	$ 3,691,171
Reconciliation of cash to balance sheet:						
Cash - current	$ 20,096,501	$ 1,074,603	$ 2,854,282	$ 1,384,477	$ 25,409,863	$ 24,314,961
Cash - restricted	11,481,461	-	-	-	11,481,461	297,393
Cash and cash equivalents	$ 31,577,962	$ 1,074,603	$ 2,854,282	$ 1,384,477	$ 36,891,324	$ 24,612,354

The Notes to the Basic Financial Statements are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
SEPTEMBER 30, 2022

	Stars Center Escrow Custodial Fund	OPEB Trust Fund
ASSETS		
Investments at fair value		
Investment pool	$ 1,427,821	$ -
Money market account	-	573,642
Fixed income funds	-	3,768,388
Equity funds	-	5,463,819
Total assets	$ 1,427,821	$ 9,805,849
LIABILITIES		
Refunds payable	$ 7,274	$ -
Total liabilities	7,274	-
NET POSITION		
Restricted for		
Debt service	1,420,547	-
Other post-employment benefits	-	9,805,849
Total net position	$ 1,420,547	$ 9,805,849

The Notes to the Basic Financial Statements
are an integral part of these statements.

CITY OF EULESS, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2022

	Stars Center Escrow Custodial Fund	OPEB Trust Fund
ADDITIONS		
Employer contributions	$ -	$ 1,663,312
Other contributions	-	246,671
Investment income (loss)		
Investment income (loss)	9,983	(1,865,323)
Less: investment expense	-	(63,170)
Net investment income (loss)	9,983	(1,928,493)
Total additions (losses)	9,983	(18,510)
DEDUCTIONS		
Payments to beneficiaries	9,983	-
Insurance claims	-	1,053,109
Administrative expenses	-	144,973
Total deductions	9,983	1,198,082
Change in net position	-	(1,216,592)
Net position - beginning of year	1,420,547	11,022,441
Net position - ending	$ 1,420,547	$ 9,805,849

The Notes to the Basic Financial Statements are an integral part of these statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City of Euless (the City) was incorporated on February 24, 1953. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: general government, police and fire protection, emergency ambulance service, road and traffic signal maintenance, water and wastewater operations, drainage system, parks and recreational facilities, courts, library services, planning land use, building inspection, and traffic control.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*.

The more significant accounting policies of the City are described as follows:

Financial Reporting Entity

As required by GAAP, these basic financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. The blended component units, although legally separate entities, are, in substance, part of the primary government's operations. As such, data from these units is combined with data of the primary government.

Blended Component Units

The City includes four component units in the financial statements. The Euless Development Corporation (Corporation) is used to account for the accumulation of half-cent sales tax proceeds dedicated to building and improving City parks and facilities, enhancing library services, and stimulating economic development activities within the City. The Euless Crime Control and Prevention District (District) is used to account for the accumulation and use of quarter-cent sales tax proceeds dedicated for crime reduction programs. The Corporation and the District are reported as special revenue funds of the primary government. The Boards of Directors of both component units are substantively the same as the City Council. There are seven directors on each board, four of whom are council members which constitutes a voting majority of the City Council. The remaining three board members are residents of the City.

Upon dissolution of the Corporation or the District, the entity's assets will be distributed to the City. Each component unit provides all of its services to the City. The financial statements for the units were obtained from the respective Boards of Directors. Financial information for both entities may be obtained from the City.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity – Continued

Blended Component Units – Continued

The Tax Increment Reinvestment Zone #3 – Glade Parks (TIRZ #3) is also a blended component unit of the City and is reflected in the financial statements as a special revenue fund. TIRZ #3 was created to stimulate development and enhance the value of taxable real property within the boundaries of the zone. Tarrant County and Tarrant County College District are taxing entities participating in TIRZ #3. The Board of Directors of TIRZ #3 is substantially the same as the City Council and management of the City has operational responsibility for TIRZ #3. The Board is comprised of seven directors, four of whom are council members which constitutes a voting majority of the Board. The remaining three board members are representatives selected by the other participating taxing entities and the Tarrant County Hospital District. Financial information for TIRZ #3 may be obtained from the City.

The Tax Increment Reinvestment Zone #4 – Midtown (TIRZ #4) is also a blended component unit of the City and is reflected in the financial statements as a special revenue fund. The Midtown CIP Fund is also part of TIRZ#4. TIRZ #4 was created to stimulate development and enhance the value of taxable real property within the boundaries of the zone. Tarrant County, Tarrant County Hospital District, and Tarrant County College District are taxing entities participating in TIRZ #4. The Board of Directors of TIRZ #4 is substantially the same as the City Council and management of the City has operational responsibility for TIRZ #4. The Board is comprised of seven directors, four of whom are council members which constitutes a voting majority of the Board. The remaining three board members are representatives selected by the other participating taxing entities. Financial information for TIRZ #4 may be obtained from the City.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except fiduciary funds. The effect of interfund activity, with the exception of interfund services provided or used, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate compliance with various legal provisions. Separate statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses, and balances of current financial resources. The City has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from property taxes levied by the City. The fund balance of the Debt Service Fund is restricted for debt service expenditures.

Car Rental Tax Fund

The Car Rental Tax Fund is used to account for revenues received from the collection of short-term motor vehicle rental taxes and the expenditures thereof. Per contractual agreement, revenues are shared with the cities of Dallas and Fort Worth. The City's portion of the revenue is used primarily for debt reduction, one-time capital projects, and to maintain the property tax rate.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

General CIP Fund

The General CIP Fund is used to account for various general construction projects within the City.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the statement of net position. The City has presented the following major proprietary funds:

Water and Wastewater Fund

Water and Wastewater Fund is used to account for the acquisition, operation and maintenance of a municipal water and wastewater utility, supported primarily by user charges.

Drainage Utility Fund

Drainage Utility Fund is used to account for the acquisition, operation, and maintenance of a municipal drainage utility, supported primarily by user charges.

Golf Course Fund

Golf Course Fund is used to account for operation and maintenance of the City's golf course, supported primarily by user charges.

Other Recreation Enterprises Fund

Other Recreation Enterprises Fund is used to account for operations and maintenance of recreation programming, Arbor Daze, and the Parks at Texas Star, supported by user charges.

Additionally, the City reports the Internal Service Funds which are used to account for equipment replacement, risk management, and self-funded health insurance coverage and disability insurance provided to employees of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies, and depreciation on capital assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Continued

The City also reports two fiduciary funds in the financial statements. The Stars Center Escrow Custodial Fund is a custodial fund that accounts for investments that will be held on behalf of the Dallas Stars until the debt issued for the specific purpose of purchasing the Stars Center is fully repaid. The OPEB Trust Fund accounts for the accumulation and use of resources for benefit payments related to post-employment health care.

Custodial funds account for resources held for others in a custodial capacity. This fund type is used to account for assets held by the City as an agent. This fund was previously reported as an agency fund. The fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Reporting is oriented toward providing accountability for the sources, uses, and balances of resources held for others; therefore, the additions and deductions in fiduciary balances are reported. With this measurement focus, assets and liabilities which are due and payable associated with the operation of these funds are included on the funds' statements of net position. The funds' equity is segregated into restricted net position and unrestricted net position, if applicable.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred inflows/outflows of resources, and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases and decreases in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water, wastewater, and drainage services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes and other revenues as available if they are collected within 60 days of year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and other long-term liabilities are recorded only when payment is due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting – Continued

The significant revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, and intergovernmental revenues. Sales taxes and short-term motor vehicle rental taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. All other governmental fund revenues are recognized when received.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Deposits and Investments

Substantially all operating cash, deposits, and short-term investments are maintained in consolidated cash accounts or individual fund investment accounts. Related interest income is allocated to the various funds based primarily on ownership by each fund of specific investments. Cash equivalents consist of highly-liquid investments with original maturities of three months or less.

For purposes of the statement of cash flows, the City considers all highly liquid investments to be cash equivalents.

Investments in U.S. Treasury and agency obligations with maturities of one year or less when purchased are reported at amortized cost. All other investments are reported at fair value.

State statutes authorize the City to invest in obligations of the U.S. Government or its agencies; obligations of the State of Texas or its agencies; and certain other obligations, repurchase agreements, money market mutual funds, and certificates of deposits within established criterion.

Property Taxes

Property taxes are levied for appropriation for the fiscal year beginning on October 1, are due October 1, attach as an enforceable lien on property as of January 1, and become delinquent on February 1. Property taxes are accrued based on the period for which they are levied and available. Delinquent taxes estimated not to be available are treated as deferred inflows of resources. Property taxes for cities, including those applicable to debt service, are limited by the Texas Constitution to $2.50 per $100 of assessed valuation. The City's current tax rate is $0.475 per $100 of assessed valuation ($0.4625 per $100 last year) and assessed valuation is approximately 100% of estimated value.

Inventories

Inventories, which are recognized as expenditures/expenses as consumed, are stated at cost (first-in, first-out method) for the General Fund, Enterprise Funds and Internal Service funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Inventories – Continued

Inventories consist primarily of expendable supplies for the General Fund and Internal Service funds and merchandise for resale for the Enterprise Funds.

Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and are recognized as expenditures utilizing the consumption method.

Transactions Between Funds

Interfund services provided and used are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as a reduction of expenditures or expenses in the fund reimbursed. All other interfund transactions are recorded as transfers.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are recorded at acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	33 1/3 years
Water and wastewater system	33 1/3 years
Storm drainage system	33 1/3 years
Infrastructure	7 - 40 years
Machinery and equipment	5 - 15 years
Improvements	25 years
Right-to-use assets	5 - 15 years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leases - Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported within long-term debt, and right-to-use lease asset (lease asset), reported with other capital assets in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Compensated Absences

Employees may accumulate a maximum of two times their annual vacation accrual. The City's policy is to pay the employee accumulated vacation upon termination. The City does not pay employees for accumulated sick leave upon termination. The short-term portion of vacation pay accrued in the proprietary fund financial statements is reported as accrued salaries and wages (a current liability). The long-term component is reflected in non-current liabilities as compensated absences. Compensated absences are recorded in governmental funds as they mature (i.e. as taken). The liability for governmental fund compensated absences is typically liquidated in the general fund, the juvenile case fund, the half-penny sales tax fund, and the crime control and prevention district fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications

Fund balances are classified as follows on the governmental fund financial statements:

	Reported in					
	General Fund	Debt Service Fund	Car Rental Tax Fund	General CIP Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	$ 113,090	$ -	$ -	$ -	$ 15,655	$ 128,745
Restricted for						
Debt service	-	2,242,815	-	-	2,162,581	4,405,396
Capital projects	-	-	-	8,746,838	6,437,896	15,184,734
Developer agreements	-	-	-	-	2,230,259	2,230,259
Court technology	108,919	-	-	-	-	108,919
Juvenile case management	-	-	-	-	189,156	189,156
Cable PEG fees	-	-	-	-	644,986	644,986
Historical preservation	-	-	-	-	843	843
Assigned						
Capital projects	-	-	-	2,748,203	4,422,823	7,171,026
Betterments	94,789	-	-	-	-	94,789
Emergency/radio systems	47,230	-	-	-	-	47,230
Tourism and conference facilities	-	-	-	-	2,155,519	2,155,519
Parks, library, and economic development	-	-	-	-	7,302,465	7,302,465
Police department	-	-	-	-	3,253,022	3,253,022
Grants	-	-	-	-	277	277
Other	45,630	-	8,698,251	-	4,308,950	13,052,831
Unassigned	24,896,247	-	-		-	24,896,247
Total	$ 25,305,905	$ 2,242,815	$ 8,698,251	$ 11,495,041	$ 33,124,432	$ 80,866,444

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified prepaid items and inventory as being nonspendable.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The City has recorded the following restrictions at year-end:

a. Restricted for debt service represents that portion of fund equity legally restricted for retirement of bond principal and payment of interest and related charges.
b. Restricted for capital projects represents that portion of fund equity legally restricted by debt covenant for capital projects and capital equipment purchases.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications – Continued

c. Restricted for developer agreements represents the portion of fund equity that must be used for future improvements to various development areas within the City.
d. Restricted for court technology represents funds collected from a court technology fee that must be used to upgrade court systems.
e. Restricted for juvenile case processing represents funds collected from a fee on municipal court citations that must be used to support the expenditures associated with juvenile case processing.
f. Restricted for cable PEG fees represents the portion of fund equity that must be used for the expansion of the City's public, educational, and government access channel.
g. Restricted for historical preservation represents donations that must be used toward the preservation of the City's historical sites.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has no committed fund balance at year-end.

Assigned: This classification includes amounts that are constrained by the City's intended use for a specific purpose but are neither restricted nor committed. The City Council delegates the authority for determining this intent to the City Manager. Assignments are made at the City Manager's discretion, but generally represent items for which specific funds have been informally dedicated internally. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has recorded the following assignments at year-end:

a. Assigned for capital projects represents revenue sources that are to be used for capital projects for the City.
b. Assigned for betterment represents funds donated by citizens that are to be used for the betterment of the community.
c. Assigned for emergency/radio systems represents funding that is to be used to upgrade emergency and radio systems.
d. Assigned for tourism and conference facilities represents funds to promote the City through tourism, conference booking, and historical preservation.
e. Assigned for parks, libraries, and economic development represents funds from sales taxes that are to be used for park improvements, library activities, and economic development throughout the City.
f. Assigned for the police department are funds from the Crime Control and Prevention District and police drug arrests and asset seizures to be used for police department expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications – Continued

g. Assigned for grants are funds from specific revenues that are to be spent for allowable expenditures in accordance with specific grant requirements.
h. Assigned for other are funds from specific revenues that are to be spent for facility remodel, victim assistance, and injured animals.

Unassigned: This classification includes all amounts that are not included in other spendable classifications and the remaining negative fund balance for any governmental funds. The General Fund is the only fund that reports a positive unassigned fund balance.

When available, the City uses restricted fund balances first, followed by committed resources, assigned resources, then unassigned resources, as appropriate opportunities arise. However, the City reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources of governmental and business-type activities and proprietary funds. Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus capital-related deferred outflows of resources, reduced by the outstanding balances of any borrowing and capital related deferred inflows of resources used for the acquisition, construction, or improvements of those assets, plus unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Pensions

For purposes of measuring the net pension liability (asset), pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its Fiduciary Net Position and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's OPEB liability is obtained from an actuarial valuation through a report prepared for the City by their consulting actuary in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting as deferred outflows of resources:

- Deferred charges on refundings – a deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.
- Pension contributions after measurement date – these contributions are deferred and recognized in the following fiscal year.
- Difference in expected and actual pension experience – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.
- Difference in pension actuarial assumption changes – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.
- Difference in projected and actual investment earnings on OPEB assets – this difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has the following items that qualify for reporting as deferred inflows of resources:

- Difference in projected and actual investment earnings for pension assets – the difference is deferred and amortized over a closed five-year period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Outflows/Inflows of Resources – Continued

- Difference in expected and actual OPEB experience – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.
- Difference in OPEB actuarial assumption changes – this difference is deferred and amortized over a closed period that approximates the estimated average remaining lives of all members on the measurement date.
- Leases – this amount results from the City's long-term lease agreements in which the City is a lessor. This amount is deferred and amortized over the lease period.

Tax Abatements

The City provides tax abatement programs through economic development agreements designed to promote local economic development and redevelopment; spur economic improvement; stimulate business and commercial activity within the City; retain, create, and attract jobs; train and retrain employees of local businesses; generate additional sales tax and enhance the property tax base and economic condition of the City. Agreements generally contain recapture provisions which may require repayment or termination if the recipients do not meet the required provisions.

As of September 30, 2022, the City has two categories of tax abatement programs for economic development:

Tax Abatements – The City has designated tax reinvestment zones and negotiated tax abatement agreements with applicants as authorized by the Texas Tax Code Chapter 312 and administered through the City's Tax Abatement Policy to promote development and redevelopment within the City. Such abatement agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement.

Recipients receiving tax abatements generally commit to the creation of new value of eligible property improvements, either for new or improved existing facilities, made subsequent to the agreement ranging from 35% to 75% for up to 10 years. No property taxes were abated under this program in fiscal year 2022.

General Economic Development Agreements – The City has entered into various agreements under Texas Local Government Code Chapter 380 to stimulate economic development. Such agreements may provide rebates, grants, or loans for promotion of economic development including attracting new business and encouraging expansion or retention of existing businesses. Rebates may be a flat amount or percentage of property taxes or sales taxes received by the City. For fiscal year 2022, the City rebated $1,181,594 in sales taxes, or 4.11% of the total sales tax revenues and $17,840 in property tax revenue, or less than 0.08% of the total property tax revenues. These rebates are reflected in non-departmental expenditures in the general fund and in general and administrative expenditures in the EDC fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Leases - Lessor

The City is a lessor for noncancellable leases of property and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Implementation of New Accounting Standards

GASB Statement No. 87, *Leases*, (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under GASB 87, a lessee is required to recognized a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Implementation of New Accounting Standards – Continued

The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the City's 2022 financial statements, resulting in recognition of $339,262 in lease liabilities and lease assets, and $6,377,251 of lease receivables and deferred inflows of resources as of October 1, 2021 in the government-wide and proprietary fund financial statements to conform to the new standard.

NOTE 2. DEPOSITS AND INVESTMENTS

Deposits

State statutes and the City's investment policy require that all uninsured deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies or instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits or by a letter of credit issued by a federal home loan bank. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2022. At year-end, the carrying amount of the City's deposits was $999,166 with a bank balance of $1,209,302.

The total bank balance is covered by Federal Depository Insurance Corporation (FDIC) insurance or by collateral for balances in excess of FDIC coverage. Collateral is held by Bank of NY Mellon in the City's name under a joint safekeeping agreement with Frost National Bank for City deposits at Frost Bank. The market value of the collateral provided by Frost Bank at the close of the fiscal year was $1,307,529. The balances at Bank of Texas (BOT) are covered by FDIC insurance and collateral pledged to cover the balances in the BOT short-term cash fund.

Investments

State statutes, City bond ordinances, and City resolutions authorize the City's investments. The City is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, obligations of the State of Texas and its agencies and instrumentalities, fully-insured or collateralized certificates of deposit, fully-collateralized repurchase agreements and reverse repurchase agreements, government pools, and no-load SEC-registered money market funds consisting of any of these securities listed.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investments – Continued

Because the City is responsible for the investment portfolio of its component units, the City's investment practices and policies disclosed herein apply equally to its component units. During the year ended September 30, 2022, the City did not own any types of securities other than those permitted by statute.

Investment Type	Book Value	Fair Value Level 2	% of Portfolio	WAM	Rating	Rating Agency
Interest bearing bank deposits	$ 398,088		0.3%			
Investments measured at amortized cost:						
Investment Pools:						
TexasClass	27,051,405		17.5%	24	AAAm	S&P
TexPool	31,023,037		20.1%	14	AAAm	S&P
TexSTAR	25,239,483		16.4%	12	AAAm	S&P
Investments measured at fair value:						
U.S. Treasury	1,998,320	1,936,933	1.3%	7	Aaa	Moody's
CD	5,210,000	5,118,130	3.4%	4	Not rated	
U.S. Government Agency Securities:						
FNMA	982,500	970,800	0.6%	2	AA+/Aaa	S&P/Moody's
FFCB	30,481,080	29,933,570	19.7%	40	AA+/Aaa	S&P/Moody's
FHLB	26,993,512	26,575,770	17.5%	64	AA+/Aaa	S&P/Moody's
FHLMC	3,000,000	2,969,680	1.9%	8	AA+/Aaa	S&P/Moody's
FAMCA	1,997,444	1,938,300	1.3%	4	Not rated	
Total	$ 154,374,869	$ 69,443,183	100%			

Weighted average maturity (WAM) of the portfolio by investment type categories reflected in the previous table is stated in days. For the investment pools, the Reset WAM is presented. Investment type acronyms displayed in the previous table are defined as follows: CD – Certificate of Deposit, FNMA – Federal National Mortgage Association, FFCB – Federal Farm Credit Bank, FHLB – Federal Home Loan Bank, FHLMC – Federal Home Loan Mortgage Corporation, and FAMCA – Federal Agricultural Mortgage Corporation. The rating agency acronyms are defined as follows: S&P – Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. and Moody's – Moody's Investor Service, Inc. Additional information about the rating agency or the significance of the ratings provided may be obtained from each agency's web site.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs – other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investments – Continued

Fair Value – Continued

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the previous table. The City's investment balances and weighted average maturity of such investments are as shown.

Investment pools are measured at amortized cost and are exempt from fair value reporting.

U.S Treasury and U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Certificates of Deposit classified in Level 2 of the fair value hierarchy are valued using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

All of the public fund investment pools (pools) in which the City is a participant use amortized cost to value the portfolio. Amortized cost, in most cases, approximates the market value of the securities held. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The pools in which the City invests transact at a net asset value of $1.00 per share, have a weighted average maturity of 60 days or less and weighted average life of 120 days or less, hold investments that are highly rated by a nationally recognized statistical rating organization, have no more than 5% of the portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions.

The TexPool investment pool is an external investment pool valued at amortized cost. TexPool has a redemption notice period of one day and has no maximum transaction amounts. Texpool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investments – Continued

The TexSTAR investment pool is an external investment pool measured at amortized cost. TexSTAR's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. TexSTAR has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

The MBIA Texas CLASS Investment Pool is governed by a Board of Trustees. The number of trustees is determined and elected by the participants in the pool annually but it must be comprised of an odd number with a minimum of three trustees. The Board meets upon the request of at least two trustees, but not less than once annually. The pool is tailored to comply with the Public Funds Investment Act. Duties of the governing board include oversight responsibility.

TexPool falls under the purview of the Texas Comptroller of Public Accounts (Comptroller) who is responsible for oversight of TexPool operations. Federated Hermes is responsible for managing pool assets and day-to-day operations. TexSTAR is duly chartered and administered by HilltopSecurities Inc. and JP Investment Management, Inc. TexSTAR has established a governing board that is partially comprised of pool participants. Duties of the governing board include oversight responsibility. The Comptroller and the governing board exercise oversight of the pools' activities via daily, weekly, and monthly reporting requirements.

Additionally, per the requirements of the Public Funds Investment Act (PFIA), all pools will maintain an AAA or equivalent rating from at least one nationally recognized rating agency. The PFIA also requires an annual examination of the financial statements of the pools by an independent certified public accounting firm. In connection with the financial audit, a compliance audit of management controls on investments and adherence to the investment policies is also required.

Interest Rate Risk

In compliance with the City's Investment Policy, as of September 30, 2022, the City minimized the interest rate risk, the risk relating to the decline in market value of securities in the portfolio, by: limiting the weighted average maturity to 365 days and the stated maturity to two years or less, with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the PFIA; and investing funds primarily in money market mutual funds, government investment pools, and shorter-term securities.

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Interest Rate Risk – Continued

The following table details the maturity schedule for the City's investment portfolio as of September 30, 2022:

Maturity Schedule	Book Value	Fair Value	% of Portfolio
Overnight	$ 83,712,013	$ 83,712,013	54%
Less than 1 month	1,249,700	1,247,771	1%
1 to 6 months	20,214,763	20,049,931	13%
6 to 9 months	17,486,657	17,163,361	11%
9 to 12 months	10,713,236	10,456,400	7%
12 to 18 months	16,998,500	16,568,840	11%
Over 18 months	4,000,000	3,956,880	3%
Total	$ 154,374,869	$ 153,155,196	100%

Credit Risk

In compliance with the City's Investment Policy, as of September 30, 2022, the City minimized credit risk losses due to default of a security issuer or backer, by: limiting investments to the safest types of securities; primarily investing in U.S. Agency Bonds rated AA+ by Standard & Poor's; pre-qualifying financial institutions, brokers/dealers, and advisors with which the City will do business; and diversifying the investment portfolio so that the potential losses on securities are minimized.

Custodial credit risk – risk that a government will not be able to recover (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. To minimize such risk, the City requires collateralization of deposits in excess of FDIC coverage, utilizes the delivery vs. payment method for investment purchases, and contracts with a third-party collateral safekeeping agent.

Per the terms of its depository agreement, for bank deposits in excess of the coverage provided by the FDIC, the City requires the depository bank to pledge to the City securities (collateral) equal to 105% of the largest balances the City maintains in the bank. The percentage as shown reflects the requirement based on market value of the pledged securities. The City actively monitors and manages collateral levels for all deposits. On September 30, 2022, the City's bank balances were fully insured or collateralized.

The City's depository bank also acts as its safekeeping agent per the terms of the depository contract. City policy dictates that all securities rendered for payment will be sent delivery vs. payment, meaning that the funds required for purchase of a security will not be released until the safekeeping agent has received the security purchased in the City's name. No broker holds City funds. The City does not purchase securities from its depository bank or any subsidiary banks of the same bank holding company.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance Beginning of Year	Increase	Decrease	Adjustment/ Transfer	Balance End of Year
Governmental activities					
Capital assets not being depreciated/amortized					
Land	$ 37,236,948	$ -	$ -	$ 5,710,381	$ 42,947,329
Construction in progress	26,565,928	6,936,491	(1,500)	(13,567,206)	19,933,713
Total capital assets not being depreciated/amortized	63,802,876	6,936,491	(1,500)	(7,856,825)	62,881,042
Capital assets being depreciated/amortized					
Buildings	70,045,190	-	(1,194,636)	766,286	69,616,840
Improvements other than buildings	18,834,232	151,596	-	3,334,003	22,319,831
Infrastructure	102,533,369	66,710	-	3,600,785	106,200,864
Machinery and equipment	14,789,816	773,701	(235,215)	155,751	15,484,053
Right-to-use equipment	-	259,697	-	-	259,697
Total capital assets being depreciated/amortized	206,202,607	1,251,704	(1,429,851)	7,856,825	213,881,285
Less accumulated depreciation/amortization					
Buildings	(31,399,512)	(2,051,916)	192,972	-	(33,258,456)
Improvements other than buildings	(5,996,045)	(573,769)	-	-	(6,569,814)
Infrastructure	(49,964,731)	(2,777,574)	-	-	(52,742,305)
Machinery and equipment	(8,721,353)	(1,266,001)	234,462	-	(9,752,892)
Right-to-use equipment	-	(61,895)	-	-	(61,895)
Total accumulated depreciation/amortization	(96,081,641)	(6,731,155)	427,434	-	(102,385,362)
Total capital assets being depreciated/amortized, net	110,120,966	(5,479,451)	(1,002,417)	7,856,825	111,495,923
Total governmental fund capital assets, net	173,923,842	1,457,040	(1,003,917)	-	174,376,965
Internal service funds					
Capital assets being depreciated					
Machinery and equipment	16,039,445	1,743,416	(914,769)	-	16,868,092
Total internal service assets being depreciated	16,039,445	1,743,416	(914,769)	-	16,868,092
Less accumulated depreciation					
Machinery and equipment	(10,192,532)	(1,478,176)	906,390	-	(10,764,318)
Total internal service funds capital assets, net	5,846,913	265,240	(8,379)	-	6,103,774
Total governmental activities capital assets, net	$179,770,755	$ 1,722,280	$(1,012,296)	$ -	$180,480,739

NOTE 3. CAPITAL ASSETS – CONTINUED

	Balance Beginning of Year	Increase	Decrease	Adjustment/ Transfer	Balance End of Year
Business-type activities					
Capital assets not being depreciated/amortized					
Land	$ 3,618,545	$ -	$ -	$ 2,100,000	$ 5,718,545
Construction in progress	10,428,441	10,479,015	-	(10,202,510)	10,704,946
Total capital assets not being depreciated/amortized	14,046,986	10,479,015	-	(8,102,510)	16,423,491
Capital assets being depreciated/amortized					
Buildings	4,207,035	-	-	-	4,207,035
Equipment	3,795,322	20,282	(41,005)	-	3,774,599
Improvements	21,276,623	65,081	(12,947)	-	21,328,757
Utility system	124,808,514	698,347	-	8,102,510	133,609,371
Right-to-use equipment	-	227,130	-	-	227,130
Total capital assets being depreciated/amortized	154,087,494	1,010,840	(53,952)	8,102,510	163,146,892
Less accumulated depreciation and amortization					
Buildings	(2,904,038)	(124,217)	-	-	(3,028,255)
Equipment	(2,355,147)	(271,406)	37,301	-	(2,589,252)
Improvements	(12,538,264)	(613,877)	12,947	-	(13,139,194)
Utility system	(65,068,631)	(2,911,072)	-	-	(67,979,703)
Right-to-use equipment	-	(23,671)	-	-	(23,671)
Total accumulated depreciation and amortization	(82,866,080)	(3,944,243)	50,248	-	(86,760,075)
Total capital assets being depreciated/amortized, net	71,221,414	(2,933,403)	(3,704)	8,102,510	76,386,817
Total business-type activities capital assets, net	$ 85,268,400	$ 7,545,612	$ (3,704)	$ -	$ 92,810,308

Capital asset depreciation and amortization expense was charged as a direct expense to programs of the primary government as follows:

Governmental activities	
Culture and recreation	$ 1,051,590
Development	32,244
General administrative	3,661,637
Highways and streets	2,853,930
Public safety	609,930
Total capital asset depreciation and amortization expense - governmental activities	$ 8,209,331
Business-type activities	
Water and wastewater	$ 2,285,726
Drainage utility	781,545
Golf course	411,213
Other recreation enterprises	465,759
Total capital asset depreciation and amortization expense - business-type activities	$ 3,944,243

Outstanding commitments at September 30, 2022, under authorized construction contracts, were $1,620,407. These outstanding commitments are to be financed by available deposit and investment balances, which include proceeds from previous bond issuances.

NOTE 4. LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the year ended September 30, 2022:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due within One Year
Governmental activities					
General obligation bonds	$ 4,115,000	$ -	$ (1,105,000)	$ 3,010,000	$1,140,000
Certificates of obligation	54,930,000	-	(2,370,000)	52,560,000	2,505,000
Sales tax revenue bonds	5,245,000	-	(220,000)	5,025,000	225,000
Tax notes	2,370,000	7,660,000	(875,000)	9,155,000	1,990,000
Lease liability	259,697	-	(61,895)	197,802	62,108
Premium on debt	2,501,558	-	(197,428)	2,304,130	197,426
Discount on debt	(68,970)	-	9,682	(59,288)	(9,682)
Net pension liability	10,905,541	-	(10,905,541)	-	-
Net OPEB liability	9,021,829	146,458	-	9,168,287	-
Compensated absences	2,069,252	561,190	(411,647)	2,218,795	221,880
Total governmental activities	91,348,907	8,367,648	(16,136,829)	83,579,726	6,331,732
Business-type activities					
Water and sewer revenue bonds	17,780,000	-	(945,000)	16,835,000	960,000
General obligation refunding bonds	3,295,000	-	(520,000)	2,775,000	530,000
Lease liability	79,565	147,565	(23,672)	203,458	54,837
Premiums on debt	117,485	-	(19,243)	98,242	19,241
Discounts on debt	(19,504)	-	1,626	(17,878)	(1,625)
Net pension liability	1,998,471	-	(1,998,471)	-	-
Net OPEB liability	1,683,598	29,151	-	1,712,749	-
Compensated absences	367,587	97,386	(69,402)	395,571	39,557
Total business-type activities	25,302,202	274,102	(3,574,162)	22,002,142	1,602,010
Total primary government	$116,651,109	$ 8,641,750	$ (19,710,991)	$ 105,581,868	$7,933,742

Governmental fund net pension liability (asset) and net OPEB liability are typically liquidated by the general, half-penny sales tax, crime control and prevention district, and juvenile case funds.

General Obligation Bonds

General obligation bonds and general obligation refunding bonds provide funds for the acquisition and construction of major capital equipment, City facilities, and infrastructure assets and the refunding of previously issued debt instruments. General obligation bonds require voter authorization; whereas general obligation refunding bonds do not. General obligation bonds are direct obligations of the City, payable from a continuing and direct ad valorem tax, levied within the limits prescribed by law, on all taxable property within the City as provided in the ordinances authorizing issuance of the bonds.

NOTE 4. LONG-TERM DEBT – CONTINUED

General Obligation Bonds – Continued

The City is required to compute an interest and sinking fund tax rate sufficient to cover the annual debt service requirements inclusive of anticipated drawdown of reserves, transfers or revenues from self-supporting debt systems, and other miscellaneous sources.

As of September 30, 2022, general obligation bonds currently outstanding are as follows:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
General Obligation Bonds				
Taxable Refunding, Series 2010	4.4%	08/15/2010	08/01/2025	$1,955,000
Refunding, Series 2012	3% – 3.125%	12/01/2011	02/15/2024	1,055,000
Refunding, Series 2012A	2.125% – 2.625%	11/01/2012	02/15/2027	2,775,000
			Total	$5,785,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal	Governmental Activities		Business-Type Activities		
Year	Principal	Interest	Principal	Interest	Total
2023	$ 1,140,000	$ 110,539	$ 530,000	$ 60,444	$ 1,840,983
2024	1,185,000	67,099	540,000	48,738	1,840,837
2025	685,000	30,140	555,000	36,072	1,306,212
2026	-	-	565,000	22,419	587,419
2027	-	-	585,000	7,678	592,678
Total	$ 3,010,000	$ 207,778	$ 2,775,000	$ 175,351	$ 6,168,129

The business-type activities general obligation refunding bonds outstanding were issued to refund previously issued golf course debt. The City anticipates repayment of the debt will occur from the golf system revenues. However, these plans are subject to change.

NOTE 4. LONG-TERM DEBT – CONTINUED

Certificates of Obligation

Certificates of obligation are issued for many of the same purposes as general obligation bonds, but certificates do not require voter authorization nor may they be used to refund existing debt. The certificates constitute direct obligations of the City, payable from (i) the levy and collection of a direct and continuing ad valorem tax, levied within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed $1,000) of the Net Revenues of the City's waterworks and sanitary sewer system.

The City currently has the following certificates of obligation outstanding as of the end of the fiscal year:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
Certificates of Obligation				
Series 2011	4% – 4.25%	01/15/2011	08/15/2030	$1,600,000
Series 2014	3% – 5%	10/15/2014	08/15/2034	4,225,000
Series 2015	3% – 5%	10/27/2015	02/15/2035	2,390,000
Series 2016	2.25% – 4%	01/12/2016	02/15/2041	13,935,000
Series 2018	3% – 4%	03/01/2018	02/15/2038	7,910,000
Series 2019	3% – 5%	01/15/2019	02/15/2039	10,730,000
Series 2020	2% – 3.5%	01/14/2020	02/15/2040	6,575,000
Series 2021	1.625% – 4%	04/08/2021	02/15/2041	5,195,000
			Total	$52,560,000

Annual debt service requirements to maturity for the certificates of obligation are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	$ 2,505,000	$ 1,669,783	$ 4,174,783
2024	2,590,000	1,574,117	4,164,117
2025	2,680,000	1,492,001	4,172,001
2026	2,765,000	1,402,901	4,167,901
2027	2,860,000	1,310,791	4,170,791
2028-2032	15,415,000	4,969,776	20,384,776
2033-2037	15,525,000	2,445,432	17,970,432
2038-2041	8,220,000	417,000	8,637,000
Total	$ 52,560,000	$15,281,801	$67,841,801

NOTE 4. LONG-TERM DEBT – CONTINUED

Revenue Bonds

Each series of revenue bonds is backed by the pledged revenue sources identified in the bond ordinances authorizing issuance of the bonds. The purpose and primary pledged revenue sources of each type of revenue bond are summarized as follows.

Half-penny sales tax fund issues sales tax revenue bonds (STRB) to finance library, park, and economic development projects throughout the City. Sales tax revenue bonds are special obligations of the Euless Development Corporation (EDC), payable solely from and secured by a lien on and pledge of certain Pledged Revenues which includes the gross proceeds of a ½¢ sales and use tax levied within the City for the benefit of the EDC. The EDC is reflected in the financial statements of the City as a special revenue fund. Accordingly, the EDC's debt is reflected in governmental activities debt.

Water and wastewater fund issues revenue bonds (W&WW) for the construction of and improvement to the City's combined waterworks and sanitary sewer infrastructure or to refund previously issued revenue bonds. Water and sewer revenue bonds and refunding bonds are payable solely from and equally secured by a first lien on and pledge of the net revenues of the City's water and wastewater system.

The City currently has the following revenue bonds outstanding at the end of the fiscal year:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
Revenue Bonds				
W&WW Refunding, Series 2012	2.03%	03/29/2012	07/15/2024	$ 275,000
W&WW Improvement, Series 2013	3.625% – 5%	06/25/2013	07/15/2033	1,010,000
W&WW Improvement, Series 2015A	0.96% – 1.98%	06/15/2015	07/15/2035	3,145,000
W&WW Improvement, Series 2015B	0.66% – 1.68%	06/15/2015	07/15/2035	1,660,000
W&WW Improvement, Series 2018	0.41% – 1.49%	04/12/2018	07/15/2038	2,270,000
W&WW Improvement, Series 2019	0.35% – 1.66%	04/25/2019	07/15/2049	8,475,000
STRB, Series 2018	3% – 4%	10/15/2018	09/15/2038	1,380,000
STRB, Series 2019	2.5% – 4%	12/12/2019	09/15/2039	3,645,000
			Total	$ 21,860,000

NOTE 4. LONG-TERM DEBT – CONTINUED

Revenue Bonds – Continued

Annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal	Governmental Activities		Business-Type Activities		
Year	Principal	Interest	Principal	Interest	Total
2023	$225,000	$172,975	$960,000	$254,746	$1,612,721
2024	230,000	164,625	965,000	244,786	1,604,411
2025	245,000	156,075	840,000	233,658	1,474,733
2026	250,000	146,975	845,000	224,201	1,466,176
2027	260,000	136,975	860,000	213,835	1,470,810
2028-2032	1,455,000	527,900	4,510,000	869,061	7,361,961
2033-2037	1,710,000	276,150	3,575,000	482,655	6,043,805
2038-2042	650,000	28,750	1,780,000	282,223	2,740,973
2043-2047	–	–	1,755,000	148,285	1,903,285
2048-2049	–	–	745,000	18,555	763,555
Total	$5,025,000	$1,610,425	$16,835,000	$2,972,005	$26,442,430

The gross ½¢ sales tax revenues of the EDC recognized in the year ending September 30, 2022 totaled $7,179,484. The principal, interest and fiscal charges on the EDC debt for the same period totaled $402,125 which equates to approximately 5.6% of the gross ½¢ sales tax revenues.

The recognized net revenues of the water and wastewater fund totaled $2,620,007 for the year ending September 30, 2022. Principal, interest and fiscal charges on the water and sewer revenue bonds totaled $1,210,575 which equates to approximately 46% of net system revenues.

In accordance with the water and sewer revenue and refunding bond ordinances, the following reserves were established:

Reserve for revenue bond debt service – to be used for retirement of the current portion of principal and interest payments due.

Reserve for emergency – to be used for payment of extraordinary repairs or replacements to the system necessitated by an emergency for which no other funds are available.

NOTE 4. LONG-TERM DEBT – CONTINUED

Revenue Bonds – Continued

Revenue bond reserve – a reserve established at the time of issuance pursuant to the revenue bond covenants which will be used for principal and interest payments in the event of default by the issuer.

Should the reserve for revenue bond debt service and/or the revenue bond reserve prove deficient, the reserve for emergency shall be used for the purpose of meeting principal and/or interest requirements of the bonds.

All funding requirements for the above reserves were met at September 30, 2022.

Investments of funds included in the bond reserve and emergency accounts are restricted to obligations of the United States or its agencies or instrumentalities (except for mortgage pass-through securities).

Water and sewer revenue bonds authorized and unissued as of September 30, 2022, amounted to $1,200,000. The water and sewer bonds were authorized in 1970, and currently the City Council has no intent to issue these bonds.

Tax Notes

Tax notes are issued for the purchase of certain specified materials, supplies, equipment, and machinery for the City's authorized needs and purposes. In 2022, tax notes were issued to pay contractual obligations incurred (i) primarily for the costs of constructing, improving and equipping one or more fire stations; and (ii) professional services rendered in relation thereto. The City currently has the following tax notes outstanding as of the end of the fiscal year:

	Interest Rate %	Dated	Maturity Date	Principal Outstanding
Tax Notes				
Series 2020	1.07%	06/25/2020	02/15/2023	$ 375,000
Series 2021	4.00%	04/08/2021	02/15/2024	1,120,000
Series 2022	2.89%	09/20/2022	02/15/2025	7,660,000
				$9,155,000

NOTE 4. LONG-TERM DEBT – CONTINUED

Tax Notes – Continued

Annual debt service requirements to maturity for the tax notes are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	$1,990,000	$220,362	$2,210,362
2024	1,590,000	187,257	1,777,257
2025	1,050,000	145,945	1,195,945
2026	1,085,000	115,094	1,200,094
2027	1,115,000	83,304	1,198,304
2028 - 2029	2,325,000	67,699	2,392,699
Total	$9,155,000	$819,661	$9,974,661

Lease Liability

The City leases equipment consisting of copiers and GPS equipment to utilize in various operations of the City.

Prior to October 1, 2021, the City entered into a five-year lease agreement as lessee for the use of copiers. An initial lease liability was recorded in the amount of $346,263 during the current fiscal year due to the implementation of GASB 87. As of September 30, 2022, the value of the lease liability was $263,736. The City is required to make monthly principal and interest payments of $7,000. The lease has an interest rate of 1.9235%. The value of the right-to-use asset as of September 30, 2022 was $346,263 with accumulated amortization of $82,526.

During the current fiscal year, the City entered into a four-year lease agreement as lessee for the use of GPS equipment. An initial lease liability was recorded in the amount of $140,564 during the current fiscal year. As of September 30, 2022, the value of the lease liability was $137,524. The City is required to make monthly principal and interest payments of $3,040. The lease has an interest rate of .527%. The value of the right-to-use asset as of September 30, 2022 was $140,564 with accumulated amortization of $3,040.

The future principal and interest lease payments as of September 30, 2022 were as follows:

Fiscal Year	Governmental Activities		Business-Type Activities		
	Principal	Interest	Principal	Interest	Total
2023	$62,108	$893	$54,837	$2,642	$120,480
2024	62,436	564	55,608	1,872	120,480
2025	62,766	234	56,393	1,087	120,480
2026	10,492	7	36,620	321	47,440
Total	$197,802	$1,698	$203,458	$5,922	$408,880

NOTE 5. COMMITMENTS AND CONTINGENT LIABILITIES

The City entered into a contract dated January 21, 1972, with Trinity River Authority (TRA) whereby TRA agreed to provide treated water to the City. This contract was for an original term of thirty-five (35) years and continues in effect until all bonds, or any bonds issued to refund same, have been paid in full. Additionally, on October 10, 1973, the City entered into a contract with TRA to provide wastewater treatment services to the City. The contract remains in force and effect for a period of fifty (50) years and thereafter until any bonds, or any bonds issued to refund same, have been paid in full. Payments by the City are based on metered usage at rates designed to charge the City a prorata share of TRA's annual operating and maintenance expenses and principal and interest requirements on bonds issued by TRA. Payments under these contracts totaled $13,642,699 and are included as operating expenses of the water and wastewater fund.

The City entered into a 20-year contract dated February 2, 2010, with the City of Fort Worth (Fort Worth) whereby Fort Worth agreed to provide reclaimed water service to the City. Payments by the City are based on metered volume. Payments under this contract totaled $558,934 in the year ended September 30, 2022 and are included as operating expenses of the water and wastewater fund.

The City is involved in a number of lawsuits arising in the ordinary course of business. In the opinion of the City's legal counsel and management, any liability resulting from such litigation would not be material in relation to the City's financial position.

NOTE 6. SERVICE CENTER

The water and wastewater enterprise fund historically bears the major portion of the operating costs of the City's service center, which provides services to all City departments.

NOTE 7. INTERFUND TRANSFERS

All interfund transfers between the various funds are approved supplements to the operations of those funds.

	Transfers in				
Transfers out	General	Debt Service	General CIP	Non-major Governmental	Subtotal Governmental
General	$ -	$ -	$ 391,291	$ 2,540,195	$ 2,931,486
Debt service	-	-	-	999,725	999,725
Car rental tax	1,212,886	-	-	1,000,000	2,212,886
General CIP	-	-	-	106,000	106,000
Water and wastewater	1,485,888	-	-	-	1,485,888
Drainage utility	46,150	-	-	-	46,150
Nonmajor governmental	-	2,380,202	-	1,694,789	4,074,991
Total transfers in	$ 2,744,924	$ 2,380,202	$ 391,291	$ 6,340,709	$ 11,857,126

	Transfers in				
		Major Enterprise			
Transfers out	Internal Service	Golf Course	Other recreation enterprises	Subtotal Enterprise	Total Transfers Out
General	$ 302,250	$ 5,472	$ 18,760	$ 24,232	$ 3,257,968
Debt service	-	-	-	-	999,725
Car rental tax	239,449	-	-	-	2,452,335
General CIP	-	-	-	-	106,000
Water and wastewater	302,250	-	-	-	1,788,138
Drainage utility	-	-	-	-	46,150
Nonmajor governmental	-	482,051	-	482,051	4,557,042
Total transfers in	$ 843,949	$ 487,523	$ 18,760	$ 506,283	$ 13,207,358

Transfers are primarily used to move funds from:

- The general fund to the general CIP fund and non-major governmental funds to fund approved capital projects and to satisfy grant matching requirements; and to the golf course fund for sales tax rebates.
- The car rental tax fund, the water and wastewater fund, and the drainage utility fund to the general fund for general and administrative charges.
- The car rental tax fund to the non-major governmental funds to provide funding for approved capital projects.
- The car rental tax fund to the internal service funds for the replacement of capital assets.
- The general CIP fund to the non-major governmental funds for approved capital project funding.
- The non-major governmental funds to the non-major governmental funds to provide task force and project funding.

NOTE 7. INTERFUND TRANSFERS – CONTINUED

- The non-major governmental funds to debt service funds for debt payments on previously issued debt.
- The general fund and water and wastewater fund to the internal service funds for workers' compensation and general liability insurance claims.
- The non-major governmental funds to the golf course fund to cover a portion of the operating and debt costs associated with the conference center.
- The debt service fund to the nonmajor governmental fund to re-establish funding for the Midtown debt reserve.
- The general fund to the other recreation enterprises fund for Arbor Daze.

NOTE 8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) to provide both general liability and property insurance.

The City, along with other participating entities, contributes annual amounts determined by TMLIRP management. As claims arise they are submitted to and paid by TMLIRP. The City is not liable for payments beyond their annual contributions to TMLIRP and related deductibles.

In fiscal year 2006, the City contracted with the Texas Municipal League Intergovernmental Risk Pool to provide workers' compensation insurance and effectively discontinued being self-insured for workers' compensation claims. This policy has no deductibles, includes all claims handling, and has a fixed premium.

In fiscal years prior to 2006, the City was self-insured for workers' compensation claims. Contributions were made to a separate risk management fund by other funds and were available to pay claims, claim reserves, and administrative costs of the program. The City remains liable under its self-insurance program for any claims occurring prior to October 1, 2005.

The City provides employee health insurance coverage on a self-insured basis. Premiums are paid into a separate insurance fund by other funds, by the City's employees, and by retirees. The premiums are used to fund claims, administrative costs of the program, and claim reserves. An excess coverage insurance policy covers individual claims in excess of $125,000, and aggregate claims in excess of $6,796,035. During fiscal year 2022, the City and the City's employees contributed approximately $4,718,258 and $1,436,801 respectively, for medical coverage.

The City's contributions are accounted for as interfund services provided and used. Claims liabilities are based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported, and are accounted for in the Insurance Internal Service Fund.

NOTE 8. RISK MANAGEMENT – CONTINUED

Changes in the balances of health, dental, and prescription claims liabilities for the years ended September 30, 2022 and 2021 are as follows:

	2022	2021
Unpaid claims, beginning of year	$ 840,000	$ 639,000
Incurred claims	4,253,801	4,585,628
Paid claims	(4,673,850)	(4,384,628)
Unpaid claims, end of year	$ 419,951	$ 840,000

Settlement amounts have not exceeded stop loss insurance coverage for the year ended September 30, 2022 or any of the three preceding years ended September 30.

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the TMRS Act) as an agent multiple-employer retirement system for employees of participating Texas cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the member's benefit is calculated based on the sum of the member's contributions, with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Benefits Provided – Continued

Plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
A member is vested after	5 years
Service retirement eligibility	20 years at any age, 5 years at 60 and above
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI

Employees Covered By Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	290
Inactive employees entitled to, but not yet receiving benefits	181
Active employees	378
Total	849

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the city matching percentages are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1), or 2:1 (2 to 1), both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the year ended September 30, 2022. The contribution rates for the City were 18.02% and 17.64% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were $5,518,493 and were equal to the required contributions.

Net Pension Asset

The City's Net Pension Asset (NPA) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Actuarial Assumptions

The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Actuarial Assumptions – Continued

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset)
Balance at 12/31/2020	$ 238,139,637	$ 225,235,625	$ 12,904,012
Changes for the year:			
Service cost	5,642,742	-	5,642,742
Interest	15,918,254	-	15,918,254
Change in benefit terms*	-	-	-
Difference between expected and actual experience	2,211,218	-	2,211,218
Changes of assumptions	-	-	-
Contributions - employer	-	5,511,185	(5,511,185)
Contributions - employee	-	2,140,878	(2,140,878)
Net investment income	-	29,364,122	(29,364,122)
Benefit payments, including refunds of employee contributions	(10,270,056)	(10,270,056)	-
Administrative expense	-	(135,860)	135,860
Other changes	-	930	(930)
Net changes	13,502,158	26,611,199	(13,109,041)
Balance at 12/31/2021	$ 251,641,795	$ 251,846,824	$ (205,029)

*For TMRS, the "change in benefit terms" includes substantively automatic benefit status changes, if applicable.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	$ 34,714,456	$ (205,029)	$ (28,971,518)

NOTE 9. DEFINED BENEFIT PENSION PLAN – CONTINUED

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the valuation date of December 31, 2021, the City recognized pension income of $466,750.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,215,542	$ -
Changes in actuarial assumptions	57,237	-
Difference between projected and actual investment earnings	-	15,122,786
Contributions subsequent to the measurement date	4,163,280	-
Total	$ 5,436,059	$ 15,122,786

$4,163,280 reported as deferred outflows of resources related to the pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) for the year ended September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year December 31,	Net Deferred Outflows/(Inflows) of Resources
2022	$ (2,409,976)
2023	(6,125,583)
2024	(2,881,047)
2025	(2,433,401)
Total	$ (13,850,007)

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Postemployment Healthcare Plan

Plan Description

The City adopted the City of Euless Post-Employment Benefits Trust (OPEB Trust) by passage of Resolution No. 09-1319 on September 8, 2009 which authorized participation in the PARS Public Agencies Post-Retirement Health Care Plan Trust, including the City of Euless Public Agencies Post-Retirement Health Care Plan (the Plan), as part of the City's Retirement Program. Article III of the Public Agencies Post-Retirement Health Care Plan Master Plan Document as adopted provides for the determination of eligibility under the plan to each participating Employer to the extent provided in the Employer's applicable policies.

The City's policies with regard to post-employment healthcare coverage are governed by the City of Euless Medical and Dental Plan, the City's group health insurance plan, the benefits of which are established by management.

Benefits provided. The City provides post-employment medical, dental, life, and vision benefits under the Plan to eligible retirees and dependents qualifying as one of the eligible classes of dependents as described in the Plan. To be eligible for coverage under the Plan, an employee must retire with the City of Euless and be eligible for retirement through TMRS. TMRS retirement eligibility requirements are described in detail in Note 9. Additionally, written application to enroll himself/herself and all eligible dependents (for which coverage is elected) in the Plan must be made by the employee prior to or on the retirement date.

The Plan provides lifetime benefits or until Medicare eligibility is attained. Regardless of Medicare enrollment status, the Plan will base payment of benefits as though Medicare were responsible for primary payment of benefits insomuch as allowed by Federal law.

The Plan is a single-employer defined benefit healthcare plan administered by the City Manager, his/her successor, or his/her designee. Separate financial statements for the Plan are not issued, but rather are included in the financial statements of the City which are available on-line at https://www.eulesstx.gov/departments/finance/comprehensive-annual-financial-report.

The OPEB Trust is an agent multiple-employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies. The OPEB Trust is established as a tax-exempt trust within the meaning of Section 115 of the Internal Revenue Code and is intended to hold the assets used to fund the City's post-employment benefits offered by the City to its employees as specified in the City's policies.

Upon adoption of the Trust Agreement, a separate Agency Account was established under the OPEB Trust for the City, and all assets of the Trust attributable to the City are held in the City's Agency Account. The assets of the Trust are available only to pay post-employment healthcare benefits of eligible employees of the City and their dependents and other associated administrative costs.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Funding Policy

A Participant in the OPEB Trust is required from time-to-time to contribute to its Agency Account an amount determined by such Participant at its sole discretion. Such amount may, but need not, equal such Participant's actuarially determined contribution (ADC) as determined in accordance with GASB 74. However, it is currently the intent of the Plan Administrator to annually fund an amount equal to, or in excess of, the ADC. This intent is subject to change and is subject to annual appropriation.

Contribution requirements of Plan members and the City are determined by the Plan Administrator and may be amended by same from time to time. Plan members contribute:

	Monthly Contribution		
	Medical Plan	Dental	Vision
Retiree Only	$ 777.61	$ 38.55	$ 7.86
Retiree plus Children	1,477.45	73.24	12.84
Retiree plus Spouse	1,788.49	88.66	15.24
Retiree plus Family	2,255.05	111.80	21.56

Retired employees meeting all eligibility requirements as set forth in the Plan that were hired prior to October 1, 2006 and are either:

a) Retired and enrolled in the Plan on or prior to September 30, 2007; or

b) Retired and not enrolled in the Plan on or prior to September 30, 2007 and meet guidelines for reinstatement to the Plan; or

c) Employees who were not retired as of September 30, 2007 that retire with at least ten years of service to the City of Euless and have a combined age and years of service equal to at least 70

will qualify for a service discount on their total premium, subject to annual appropriation, as set forth in the following table.

Retired employees meeting all eligibility requirements as set forth in the Plan that were hired after October 1, 2006 and before October 1, 2014 retiring with a minimum of 20 years of service with a combined age and years of service to the City of Euless equal to at least 80 qualify for a service discount on their total premium, subject to annual appropriation, as set forth in the following:

	Discounts on Premiums					
	Hired Pre-10/2006		Hired Post-10/2006		Hired Post-10/2014	
Service	Retiree	Retiree+	Retiree	Retiree+	Retiree	Retiree+
10 to 14 years	15%	30%	N/A	N/A	N/A	N/A
15 to 19 years	25%	40%	N/A	N/A	N/A	N/A
20 to 24 years	35%	50%	35%	50%	N/A	N/A
25 to 29 years	50%	65%	50%	65%	N/A	N/A
30+ years	60%	75%	60%	75%	N/A	N/A

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Funding Policy – Continued

Retirees are permitted to participate with active employees in the healthcare plan but retirees must pay all premiums (less applicable discounts) assigned to them. The City will continue to apply the applicable discount to surviving spouse/dependents based upon a deceased employee's years of service. Employees hired on or after October 1, 2014 will not be eligible for premium discounts regardless of years of service.

Per the requirements of GASB 74 and GASB 75, the following data is presented.

Plan Membership

At the October 1, 2021 actuarial valuation and measurement date, plan membership consisted of the following:

Employees/retirees covered by the benefit terms:	
Inactive plan members or beneficiaries currently receiving benefit payments	51
Inactive plan members entitled to, but not yet receiving benefit payments	22
Active plan members	356
	429

Investments

Investment policy. The City's policy in regard to the allocation of invested assets is established and may be amended by the City Manager. The City Council appointed the City Manager or her successor or her designee as the City's Plan Administrator. The City Manager selected the balanced, moderately aggressive actively-managed investment option (HighMark PLUS) to provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return. The portfolio will be allocated between equity and fixed income investments.

Asset Class	Strategic Range	Target Allocation	9/30/2022 Allocation
Equity	50-70%	60%	56%
Fixed income	30-50%	35%	38%
Cash	0-20%	5%	6%
		100%	100%

Rate of return. For the year ended September 30, 2022, the annual money-weighted rate of return (loss) on investments, net of investment expense, was (16.33%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Investments – Continued

Concentrations. The following investments comprised 5% or more of the OPEB plan's fiduciary net position as of September 30, 2022:

Asset Class	Investment Vehicle	% of Portfolio
Equity	Columbia Contrarian Core Inst3	5.81%
Equity	Vanguard Growth & Income Adm	11.08%
Equity	Dodge & Cox Stock Fund	5.31%
Equity	iShares Russell Midcap ETF	5.48%
Fixed Income	Vanguard Short-Term Investment-Grade Adm	7.75%
Fixed Income	DoubleLine Core Fixed Income I	9.93%
Fixed Income	PIMCO Total Rturn Instl Fund	9.95%
Fixed Income	PGIM Total Return Bond R6	9.92%
Cash	First American Government Oblig Z	5.85%

Net OPEB Liability of the City

The components of the net OPEB liability of the City at September 30 were as follows:

	2022	2021
Total OPEB liability	$ 20,686,885	$ 21,727,868
Plan fiduciary net position	(9,805,849)	(11,022,441)
City's net OPEB liability	$ 10,881,036	$ 10,705,427
Plan fiduciary net position as a percent of the total OPEB liability	47.40%	50.73%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Actuarial Methods and Assumptions – Continued

An actuarial valuation was performed as of October 1, 2021 using the entry age normal actuarial cost method. The liability was then rolled forward to the measurement date of September 30, 2022. The actuarial assumptions include:

Inflation	2.5% per annum
Salary increases	3.00% per annum
Investment rate of return	7.50%
Healthcare cost trend rates	7.10% with annual increases/decreases to an ultimate rate of 4.14% in 2042
Dental cost trend rates	3.00%

Mortality rates were based on the sex distinct PUB 2010 general employee/retiree headcount weighted mortality table with mortality improvements scale MP-2021. The plan has not had a formal actuarial experience study performed.

The expected return of each asset class is determined through a combination of historical rates of return, valuation projections, and economic expectations. Expected rates of return are developed and annually reviewed by HighMark's Asset Allocation Committee. The long-term expected rate of return on OPEB plan investments is then calculated by weighting the returns for each asset class according to the exposure as determined by the current strategic allocation. The anticipated long-term rate of return is 6.24% with an expected standard deviation of 10.20%. Anticipated long-term returns by asset class are not available.

Discount rate. The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed the City contributions will be made at rates at least equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current discount rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Net OPEB liability	$ 14,600,349	$ 10,881,036	$ 7,915,311

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Actuarial Methods and Assumptions – Continued

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates (7.10%)	1% Increase
Net OPEB liability	$ 7,625,812	$ 10,881,036	$ 15,003,870

Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 9/30/2021	$ 21,727,868	$ 11,022,441	$ 10,705,427
Changes for the year:			
Service cost	331,127	-	331,127
Interest	1,603,744	-	1,603,744
Change of benefit terms	-	-	-
Difference between expected and actual experience	(200,028)	-	(200,028)
Changes of assumptions	(1,824,415)	-	(1,824,415)
Difference in expected and actual net investment income	-	-	-
Contributions - employer	-	1,663,312	(1,663,312)
Contributions - other	246,671	246,671	-
Net investment income	-	(1,928,493)	1,928,493
Benefit payments, including refunds of employee contributions	(1,053,109)	(1,053,109)	-
Administrative expense	(144,973)	(144,973)	-
Net changes	(1,040,983)	(1,216,592)	175,609
Balance at 9/30/2022	$ 20,686,885	$ 9,805,849	$ 10,881,036

Assumption Changes. Since the prior valuation, the mortality tables were updated to the new sex distinct headcount weighted PUB-2010 general employee/retiree mortality tables based upon public plan experience only. Also, the mortality improvement scale was updated to use the MP-2021 table.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of $1,448,541.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	$ -	$ 807,890
Difference between projected and actual investment earnings	1,159,071	-
Total	$ 1,159,071	$ 807,890

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Net Deferred Outflows/(Inflows) of Resources
2023	$ 217,733
2024	172,477
2025	174,682
2026	364,700
2027	(289,206)
2028	(289,205)
Total	$ 351,181

NOTE 11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of September 30, 2022, the following funds had excess of expenditures over appropriations:

- Car rental tax special revenue fund in the amount of $25,733.
- Grant special revenue fund in the amount of $813.

NOTE 12. LEASE RECEIVABLES

During the year ended September 30, 2022, the City implemented GASB 87. The City leases various property and buildings to third-parties. The leases range from five to 23 years in length. The City receives annual payments from these leases of $815,185. The City recognized $649,386 in lease revenue and $165,799 in interest revenue during the current fiscal year related to these leases. As of September 30, 2022, the City's receivable and deferred inflows of resources for leases was $5,418,653 for governmental activities and $393,424 for business-type activities. The deferred inflow of resources associated with this lease will be recognized as revenue over the lease term.

REQUIRED SUPPLEMENTARY INFORMATION

THE CITY OF
EULESS

CITY OF EULESS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FOR THE MEASUREMENT YEAR ENDED DECEMBER 31

	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Total pension liability								
Service cost	$ 5,642,742	$ 5,645,675	$ 5,375,963	$ 5,253,722	$ 5,149,378	$ 4,868,631	$ 4,539,237	$ 4,331,759
Interest (on the total pension liability)	15,918,254	15,244,423	14,557,634	13,864,487	13,129,452	12,462,429	12,302,430	11,698,243
Difference in expected and actual experience	2,211,218	(728,824)	(171,396)	(206,128)	169,296	(361,966)	(579,992)	(752,184)
Change in assumptions	-	-	145,747	-	-	-	(595,757)	-
Benefit payments, including refunds	(10,270,056)	(10,084,210)	(9,652,090)	(7,756,635)	(7,465,146)	(6,990,135)	(6,911,946)	(6,588,671)
Net change in total pension liability	13,502,158	10,077,064	10,255,858	11,155,446	10,982,980	9,978,959	8,753,972	8,689,147
Total pension liability, beginning of year	238,139,637	228,062,573	217,806,715	206,651,269	195,668,289	185,689,330	176,935,358	168,246,211
Total pension liability, ending of year	$ 251,641,795	$ 238,139,637	$ 228,062,573	$ 217,806,715	$ 206,651,269	$ 195,668,289	$ 185,689,330	$ 176,935,358
Plan fiduciary net position								
Contributions - employer	$ 5,511,185	$ 5,419,109	$ 5,192,816	$ 5,146,736	$ 5,027,855	$ 4,691,585	$ 4,644,735	$ 4,787,533
Contributions - employee	2,140,878	2,144,052	2,077,001	2,023,998	1,981,736	1,877,709	1,801,285	1,789,251
Net investment income	29,364,122	16,076,966	28,704,340	(5,754,957)	23,456,668	10,748,002	235,212	8,631,343
Benefit payments, including refunds	(10,270,056)	(10,084,210)	(9,652,090)	(7,756,635)	(7,465,146)	(6,990,135)	(6,911,946)	(6,588,671)
Administrative expense	(135,860)	(104,023)	(162,161)	(111,206)	(121,542)	(121,371)	(143,262)	(90,113)
Other	930	(4,058)	(4,871)	(5,810)	(6,160)	(6,539)	(7,076)	(7,409)
Net change in plan fiduciary net position	26,611,199	13,447,836	26,155,035	(6,457,874)	22,873,411	10,199,251	(381,052)	8,521,934
Plan fiduciary net position - beginning	225,235,625	211,787,789	185,632,754	192,090,628	169,217,217	159,017,966	159,399,018	150,877,084
Plan fiduciary net position - ending	$ 251,846,824	$ 225,235,625	$ 211,787,789	$ 185,632,754	$ 192,090,628	$ 169,217,217	$ 159,017,966	$ 159,399,018
Net pension liability (asset) - ending	$ (205,029)	$ 12,904,012	$ 16,274,784	$ 32,173,961	$ 14,560,641	$ 26,451,072	$ 26,671,364	$ 17,536,340
Plan fiduciary net position as a % of TPL	100.08%	94.58%	92.86%	85.23%	92.95%	86.48%	85.64%	90.09%
Covered payroll	$ 30,583,969	$ 30,616,434	$ 29,619,629	$ 28,914,263	$ 28,308,838	$ 26,824,411	$ 25,732,638	$ 25,560,729
Net pension liability (asset) as a % of covered payroll	(.67%)	42.15%	54.95%	111.27%	51.44%	98.61%	103.65%	68.61%

* The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF EULESS, TEXAS
SCHEDULE OF CONTRIBUTIONS – PENSION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Actuarially determined contributions	$ 5,518,493	$ 5,534,917	$ 5,532,423	$ 5,174,020	$ 5,094,779	$ 4,971,811	$ 4,670,520	$ 4,602,538
Actual contributions	(5,518,493)	(5,534,917)	(5,532,423)	(5,174,020)	(5,094,779)	(4,971,811)	(4,670,520)	(4,602,538)
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 31,442,237	$ 30,853,753	$ 31,348,108	$ 29,411,252	$ 28,640,420	$ 28,113,691	$ 26,464,297	$ 25,453,407
Ratio of actual contributions to covered payroll amount [1]	17.55%	17.94%	17.65%	17.59%	17.79%	17.69%	17.65%	18.08%

* The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Valuation Date

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

(1) Changed to actual calculation in 2022. Prior years have been restated.

CITY OF EULESS, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2022*	2021*	2020*	2019*	2018*	2017*
Total OPEB liability						
Service cost	$ 331,127	$ 287,730	$ 267,668	$ 435,930	$ 447,155	$ 75,083
Interest on total OPEB liability	1,603,744	1,539,416	1,379,257	1,360,548	1,271,483	825,331
Effect of changes of benefit terms	-	-	-	-	-	-
Effect of difference between expected and actual experience	(200,028)	-	(627,155)	-	1,459,988	432,425
Contributions - other	246,671	281,524	276,885	270,205	-	-
Effect of changes of assumptions	(1,824,415)	-	1,322,815	-	(798,143)	5,480,748
Administrative expense	(144,973)	(140,970)	(131,481)	(135,119)	-	-
Benefit payments	(1,053,109)	(955,297)	(898,811)	(1,019,931)	(1,230,281)	(1,332,839)
Net change in OPEB liability	(1,040,983)	1,012,403	1,589,178	911,633	1,150,202	5,480,748
Beginning balance	21,727,868	20,715,465	19,126,287	18,214,654	17,064,452	11,583,704
Ending balance	$ 20,686,885	$ 21,727,868	$ 20,715,465	$ 19,126,287	$ 18,214,654	$ 17,064,452
Plan fiduciary net position						
Contributions - employer	$ 1,663,312	$ 1,515,094	$ 1,455,171	$ 1,583,715	$ 1,754,093	$ 1,832,839
Contributions - other	246,671	281,524	276,885	270,205	320,471	-
Net investment income (loss)	(1,928,493)	668,472	577,387	502,656	381,824	559,716
Difference in expected and actual net investment income	-	950,076	11,026	(226,279)	-	-
Benefit payments	(1,053,109)	(955,297)	(898,811)	(1,019,931)	(1,230,281)	(1,332,839)
Administrative expense	(144,973)	(140,970)	(131,481)	(135,119)	(147,597)	(13,525)
Net change in plan fiduciary net position	(1,216,592)	2,318,899	1,290,177	975,247	1,078,510	1,046,191
Beginning balance	11,022,441	8,703,542	7,413,365	6,438,118	5,359,608	4,313,417
Ending balance	$ 9,805,849	$ 11,022,441	$ 8,703,542	$ 7,413,365	$ 6,438,118	$ 5,359,608
City's net OPEB liability ending	$ 10,881,036	$ 10,705,427	$ 12,011,923	$ 11,712,922	$ 11,776,536	$ 11,704,844
Plan fiduciary net position as a % of the total OPEB liability	47%	51%	42%	39%	35%	31%
Covered employee payroll	$ 31,442,237	$ 30,853,753	$ 31,348,108	$ 29,411,252	$ 28,640,420	$ 25,944,080
City's net OPEB liability as a % of covered employee payroll	35%	35%	38%	40%	41%	45%

* This schedule is presented to illustrate the requirement to show ten years of information. However, until a full ten-year trend is available, the schedule will present the information that is available.

CITY OF EULESS, TEXAS
SCHEDULE OF CONTRIBUTIONS – OPEB TRUST
FOR THE FISCAL YEAR ENDED SEPTEMBER 30

	2022*	2021*	2020*	2019*	2018*	2017*
Actuarially determined contribution	$ 1,300,719	$ 1,421,454	$ 1,388,216	$ 1,486,177	$ 1,492,738	$ 1,226,144
Contributed in relation to the actuarially determined contribution	1,663,312	1,515,094	1,455,171	1,583,715	1,754,093	1,832,839
Contribution deficiency (excess)	$ (362,593)	$ (93,640)	$ (66,955)	$ (97,538)	$ (261,355)	$ (606,695)
Covered employee payroll	$ 31,442,237	$ 30,853,753	$ 31,348,108	$ 29,411,252	$ 28,640,420	$ 25,944,080
Contributions as a percentage of covered employee payroll	5.3%	4.9%	4.6%	5.4%	6.1%	7.1%

* This schedule is presented to illustrate the requirement to show ten years of information. However, until a full ten-year trend is available, the schedule will present the information that is available.

Notes to Schedule

Significant assumptions used in preparation of actuarial valuation

Valuation date	10/1/2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Method
Remaining amortization period	25 years - closed period
Amortization period for new losses	25 years - closed period
Asset valuation method	Market value
Discount rate	7.5%
Inflation	2.5%
Healthcare cost trend rates	7.10% declining annually to 4.14% in 2042+
Dental cost trend rates	3.0% per annum
Salary increases including inflation	3.00%
Long-term investment rate of return, net of investment expense	7.5%
Retirement age	Varies with age and service level
Mortality	Sex distinct PUB 2010 general employee retiree mortality tables based upon public plan experience only. Mortality improvement scale used is the MP-2021 table.

CITY OF EULESS, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property tax				
Current and delinquent taxes	$ 19,177,531	$ 19,177,531	$ 19,291,537	$ 114,006
Penalty and interest	71,400	71,400	86,681	15,281
Total property tax	19,248,931	19,248,931	19,378,218	129,287
Gross receipts and mixed beverage tax				
Telephone line access fee	108,521	108,521	98,763	(9,758)
Electric company	1,584,507	1,584,507	1,654,195	69,688
Gas company	363,180	363,180	563,968	200,788
Cable TV	200,000	200,000	245,178	45,178
City garbage service	316,312	316,312	324,755	8,443
Water and wastewater system	1,386,264	1,386,264	1,485,888	99,624
Others	158,416	158,416	226,965	68,549
Total gross receipts and mixed beverage tax	4,117,200	4,117,200	4,599,712	482,512
General sales tax	14,412,718	14,412,718	17,498,088	3,085,370
Fines and fees				
Municipal court fines	1,270,028	1,270,028	1,801,577	531,549
Jail income	730,000	730,000	675,025	(54,975)
Dog licenses and pound fees	7,500	7,500	7,385	(115)
Ambulance fees	738,000	738,000	1,066,967	328,967
Library fees	2,000	2,000	5,821	3,821
Zoning fees	15,500	15,500	14,464	(1,036)
Deferred adjudication fee	72,072	72,072	81,486	9,414
Total fines and fees	2,835,100	2,835,100	3,652,725	817,625
Licenses and permits				
Building permits	300,000	300,000	774,403	474,403
Miscellaneous permits	269,800	269,800	256,936	(12,864)
Minimum housing	65,000	65,000	96,303	31,303
Total licenses and permits	634,800	634,800	1,127,642	492,842
Investment income	71,838	71,838	173,661	101,823
Intergovernmental	426,350	426,350	908,347	481,997
Other revenues				
Rental income	602,516	602,516	915,489	312,973
Swimming pools	198,000	198,000	299,986	101,986
Miscellaneous income	187,225	187,225	221,656	34,431
Total other revenues	987,741	987,741	1,437,131	449,390
Total revenues	42,734,678	42,734,678	48,775,524	6,040,846

CITY OF EULESS, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2022

(Continued)

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current				
Culture and recreation	$ 3,708,474	$ 3,708,474	$ 3,568,318	$ 140,156
Development services	864,887	886,399	785,980	100,419
General and administrative	11,637,398	11,685,432	10,485,491	1,199,941
Highways and streets	1,817,776	1,814,776	1,641,145	173,631
Public safety	28,317,585	28,317,585	27,449,656	867,929
Debt service	-	-	63,086	(63,086)
Total expenditures	46,346,120	46,412,666	43,993,676	2,418,990
Excess (deficiency) of revenues over (under) expenditures	(3,611,442)	(3,677,988)	4,781,848	8,459,836
Other financing sources (uses)				
Proceeds from sale of assets	5,000	5,000	30,650	25,650
Issuance of lease	-	-	259,697	259,697
Transfers in	2,641,531	2,641,531	2,744,924	103,393
Transfers out	(3,432,248)	(3,457,831)	(3,257,968)	199,863
Total other financing sources (uses), net	(785,717)	(811,300)	(222,697)	588,603
Net change in fund balance	(4,397,159)	(4,489,288)	4,559,151	9,048,439
Fund balance, beginning of year	20,746,754	20,746,754	20,746,754	-
Fund balance, end of year	$ 16,349,595	$ 16,257,466	$ 25,305,905	$ 9,048,439

CITY OF EULESS, TEXAS
BUDGETARY COMPARISON SCHEDULE
CAR RENTAL SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Car rental tax	$ 10,915,975	$ 10,915,975	$ 18,372,898	$ 7,456,923
Investment income	25,300	25,300	137,438	112,138
Total revenues	10,941,275	10,941,275	18,510,336	7,569,061
Expenditures				
General and administrative	7,377,317	11,739,655	12,248,360	(508,705)
Capital outlay	482,972	482,972	-	482,972
Total expenditures	7,860,289	12,222,627	12,248,360	(25,733)
Excess (deficiency) of revenues over (under) expenditures	3,080,986	(1,281,352)	6,261,976	7,543,328
Other financing uses				
Transfers out	(2,452,335)	(3,179,391)	(2,452,335)	727,056
Total other financing uses	(2,452,335)	(3,179,391)	(2,452,335)	727,056
Net change in fund balance	628,651	(4,460,743)	3,809,641	8,270,384
Fund balance, beginning of year	4,888,610	4,888,610	4,888,610	-
Fund balance, end of year	$ 5,517,261	$ 427,867	$ 8,698,251	$ 8,270,384

NOTE 1. BUDGET BASIS OF ACCOUNTING

The City Council adheres to the following procedures in establishing budgetary data reflected in the financial statements:

1. Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and expenses and means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to September 30, the budget is legally enacted through passage of an ordinance and a budgetary report is prepared.

4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revision that alters the total expenditures or expenses of any fund must be approved by the City Council. The budget presented reflects revisions made during the year. The legal level of control is at the fund level.

5. A budget is legally adopted for the general fund and special revenue funds on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. Appropriations and encumbrances lapse at year-end.

6. Formal budgetary integration is not employed for the debt service funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

7. Budgetary data for the capital projects funds has not been presented in the accompanying basic financial statements as such funds are budgeted over the life of the respective projects and not on an annual basis. Accordingly, formal budgetary integration of the capital projects funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.

8. Appropriated budgets for the proprietary funds are also adopted but have not been presented since reporting on such budgets is not legally required.

The Budgetary Comparison Schedules – general fund and car rental tax special revenue fund present a comparison of budgetary data to actual results. These funds utilize the same basis of accounting for both budgetary purposes and actual results. A budgetary comparison schedule is not presented for the Glade Parks PID fund due to lack of budgeted activity for the prior and current years.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Hotel/Motel Fund – to account for the operations and expenditures for which hotel/motel occupancy taxes are used. Occupancy tax revenues are used primarily for advertising and promotion of the City.

Half-Penny Sales Tax Fund – to account for the sales tax revenues and expenditures of the Euless Development Corporation, a component unit of the City of Euless. The revenues can only be spent on parks, library, debt service, and economic development activities within the City of Euless.

Police Drug Enforcement Fund – to account for proceeds from the sale of assets seized in connection with drug arrests. Revenues are used solely for police department expenditures.

Crime Control and Prevention District Fund – to account for the revenues and expenditures of this component unit of the City of Euless. The revenues are collected from sales taxes and expenditures can only be spent for police department operations and capital as approved by the Crime Control and Prevention District Board.

Grant Fund – to account for grant revenues received by the City, which must be spent in accordance with grant provisions.

Police Seized Asset Fund – to account for resources received from asset forfeiture pursuant to court judgment File No. 09-13-640 to be administered in compliance with Chapter 59, Texas Code of Criminal Procedure.

Juvenile Case Fund – to account for a fee added to municipal court citations. This fee is used to support the expenditures associated with juvenile case processing.

Glade Parks Public Improvement District (PID) Fund – to account for the accumulation of resources from an assessment levied upon properties within the district boundaries. The resources are utilized for the repayment of debt issued to fund public improvements within the district. The district assesses property owners only for the portion of the debt payment not covered with resources of the Glade Parks TIRZ #3.

Tax Increment Reinvestment Zone (TIRZ) #3 – Glade Parks Fund (TIRZ #3) – to account for the accumulation of a portion of the incremental property taxes from taxing entities participating in the tax increment reinvestment zone. The resources are used for the repayment of debt issued to fund public improvements within the zone.

NON-MAJOR GOVERNMENTAL FUNDS – Continued

Midtown Public Improvement District (PID) Fund – to account for the accumulation of resources from an assessment levied upon properties within the district boundaries. The resources are utilized for the repayment of debt issued to fund public improvements within the district.

Midtown TIRZ #4 Fund – to account for the accumulation of a portion of the incremental property taxes from taxing entities participating in the tax increment reinvestment zone. The resources are used for the repayment of debt issued to fund public improvements within the zone. The TIRZ #4 fund revenues reduce the amount of revenue needed from the Midtown PID fund to pay debt service.

Cable PEG Fees Fund – to account for a 1% fee collected from cable channel providers for expansion of the city's public, educational, and governmental access channel.

CAPITAL PROJECTS FUNDS

Half-Penny Sales Tax CIP Fund – to account for bond proceeds and sales tax receipts to be expended for capital projects funded by the Euless Development Corporation, a component unit of the City of Euless.

Developers' Contribution Fund – to account for funds received for the purpose of making new and future improvements to various development areas within the City.

Streets CIP Fund – to account for street construction and reconstruction projects and the means of financing such improvements.

Redevelopment CIP Fund – to account for land acquisition and revitalization projects designed to enhance development and promote redevelopment throughout the community.

Midtown Reserve Fund – to account for resources used to re-establish the Midtown debt reserve.

TIRZ #4 Midtown CIP Fund – to account for construction projects and the means of financing such projects within the development area generally known as Founders Parc, formerly Euless Midtown.

Car Rental CIP Fund – to account for building and infrastructure projects that are funded from short-term motor vehicle rental tax.

CITY OF EULESS, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue Funds				
	Hotel/ Motel Fund	Half-Penny Sales Tax Fund	Police Drug Enforce-ment Fund	Crime Control and Prevention District Fund	Grant Fund
ASSETS					
Deposits and investments	$ 2,017,323	$ 6,661,178	$ 558,664	$ 1,983,724	$ 980,812
Accounts receivable	436,408	-	-	-	8,918
Property taxes receivable	-	-	-	-	-
Accrued interest receivable	-	11,009	-	-	-
Due from other governments	-	1,267,840	15,000	621,966	-
Lease receivable	-	1,769,097	-	-	-
Prepaids	-	2,858	-	12,797	-
Restricted deposits and investments	-	-	-	-	-
Total assets	$ 2,453,731	$ 9,711,982	$ 573,664	$ 2,618,487	$ 989,730
LIABILITIES					
Accounts payable	$ 297,369	$ 161,201	$ 67,330	$ 17,122	$ -
Contracts payable	-	-	-	-	-
Accrued salaries and wages	-	63,505	-	64,940	594
Unearned revenue	-	-	-	-	988,859
Total liabilities	297,369	224,706	67,330	82,062	989,453
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Leases	-	1,769,097	-	-	-
Total deferred inflows of resources	-	1,769,097	-	-	-
FUND BALANCES					
Nonspendable	-	2,858	-	12,797	-
Restricted, debt service	-	412,856	-	-	-
Restricted, capital projects	-	-	-	-	-
Restricted, developer agreements	-	-	-	-	-
Restricted, juvenile case management	-	-	-	-	-
Restricted, cable PEG fees	-	-	-	-	-
Restricted, historical preservation	843	-	-	-	-
Assigned	2,155,519	7,302,465	506,334	2,523,628	277
Total fund balances	2,156,362	7,718,179	506,334	2,536,425	277
Total liabilities, deferred inflows of resources, and fund balances	$ 2,453,731	$ 9,711,982	$ 573,664	$ 2,618,487	$ 989,730

Special Revenue Funds								
Police Seized Assets Fund	Juvenile Case Fund	Glade Parks PID Fund	TIRZ #3 Glade Parks Fund	Midtown PID Fund	TIRZ #4 Midtown Fund	Cable PEG Fees Fund	Special Revenue Funds Totals
$ 223,516	$ 189,997	$ 750,000	$ 3,358,220	$ 102,945	$ 781,245	$ 627,425	$ 18,235,049
-	4,666	-	67,569	-	2,248	18,000	537,809
-	-	-	33,172	-	5,262	-	38,434
-	-	-	-	-	-	-	11,009
-	-	-	-	-	-	-	1,904,806
-	-	-	-	-	-	-	1,769,097
-	-	-	-	-	-	-	15,655
-	-	-	-	-	-	-	-
$ 223,516	$ 194,663	$ 750,000	$ 3,458,961	$ 102,945	$ 788,755	$ 645,425	$ 22,511,859
$ -	$ 202	$ -	$ -	$ 2,488	$ -	$ 439	$ 546,151
-	-	-	-	-	-	-	-
456	614	-	-	-	-	-	130,109
-	-	-	-	-		-	988,859
456	816	-	-	2,488	-	439	1,665,119
-	4,691	-	-	39,223	-	-	43,914
-	-	-	-	-	-	-	1,769,097
-	4,691	-	-	39,223	-	-	1,813,011
-	-	-	-	-	-	-	15,655
-	-	750,000	-	-	-	-	1,162,856
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	189,156	-	-	-	-	-	189,156
-	-	-	-	-	-	644,986	644,986
-	-	-	-	-	-	-	843
223,060	-	-	3,458,961	61,234	788,755	-	17,020,233
223,060	189,156	750,000	3,458,961	61,234	788,755	644,986	19,033,729
$ 223,516	$ 194,663	$ 750,000	$ 3,458,961	$ 102,945	$ 788,755	$ 645,425	$ 22,511,859

CITY OF EULESS, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Capital Project Funds			
	Half-Penny Sales Tax CIP Fund	Developers' Contribution Fund	Street CIP Fund	Redevelopment CIP Fund
ASSETS				
Deposits and investments	$ 1,042,935	$ 2,338,194	$ 748,890	$ 1,009,143
Accounts receivable	-	-	3,550	-
Property taxes receivable	-	-	-	-
Accrued interest receivable	308	88	7,815	-
Due from other governments	-	-	-	-
Lease receivable	-	-	-	-
Prepaids	-	-	-	-
Restricted deposits and investments	168,825	-	7,012,741	-
Total assets	$ 1,212,068	$ 2,338,282	$ 7,772,996	$ 1,009,143
LIABILITIES				
Accounts payable	$ 2,068	$ 108,023	$ 59,965	$ 36,258
Contracts payable	-	-	813,145	-
Accrued salaries and wages	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	2,068	108,023	873,110	36,258
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Leases	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted, debt service	-	-	-	-
Restricted, capital projects	168,825	-	6,199,596	-
Restricted, developer agreements	-	2,230,259	-	-
Restricted, juvenile case management	-	-	-	-
Restricted, cable PEG fees	-	-	-	-
Restricted, historical preservation	-	-	-	-
Assigned	1,041,175	-	700,290	972,885
Total fund balances	1,210,000	2,230,259	6,899,886	972,885
Total liabilities, deferred inflows of resources, and fund balances	$ 1,212,068	$ 2,338,282	$ 7,772,996	$ 1,009,143

Capital Project Funds					
Midtown Reserve Fund	TIRZ #4 Midtown CIP Fund	Car Rental CIP Fund	Capital Project Funds Totals	Total Non-major Governmental Funds
$ -	$ -	$ 1,708,369	$ 6,847,531	$ 25,082,580
-	-	-	3,550	541,359
-	-	-	-	38,434
-	-	104	8,315	19,324
-	-	-	-	1,904,806
-	-	-	-	1,769,097
-	-	-	-	15,655
999,725	1,069,200	-	9,250,491	9,250,491
$ 999,725	$ 1,069,200	$ 1,708,473	$ 16,109,887	$ 38,621,746
$ -	$ -	$ -	$ 206,314	$ 752,465
-	999,725	-	1,812,870	1,812,870
-	-	-	-	130,109
-	-	-	-	988,859
-	999,725	-	2,019,184	3,684,303
-	-	-	-	43,914
-	-	-	-	1,769,097
-	-	-	-	1,813,011
-	-	-	-	15,655
999,725	-	-	999,725	2,162,581
-	69,475	-	6,437,896	6,437,896
-	-	-	2,230,259	2,230,259
-	-	-	-	189,156
-	-	-	-	644,986
-	-	-	-	843
-	-	1,708,473	4,422,823	21,443,056
999,725	69,475	1,708,473	14,090,703	33,124,432
$ 999,725	$ 1,069,200	$ 1,708,473	$ 16,109,887	$ 38,621,746

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds				
	Hotel/ Motel Fund	Half-Penny Sales Tax Fund	Police Drug Enforce-ment Fund	Crime Control and Prevention District Fund	Grant Fund
Revenues					
General property tax	$ -	$ -	$ -	$ -	$ -
Gross receipts tax	1,736,088	-	-	-	-
General sales tax	-	7,179,484	-	3,565,228	-
Investment income	12,497	70,504	3,473	12,525	-
DEA revenues	-	-	42,175	-	-
Intergovernmental	-	-	-	-	128,055
Rents and royalties	-	79,198	-	-	-
Other revenues	-	-	-	10,925	-
Total revenues	1,748,585	7,329,186	45,648	3,588,678	128,055
Expenditures					
Culture and recreation	-	3,669,283	-	-	-
Development services	-	207,847	-	-	-
General and administrative	316,591	348,641	-	-	-
Highways and streets	-	-	-	-	-
Public safety	-	-	147,247	2,909,620	143,960
Debt service					
Principal	-	220,000	-	-	-
Interest and fiscal charges	-	182,125	-	-	-
Capital outlay	-	81,034	-	126,780	-
Total expenditures	316,591	4,708,930	147,247	3,036,400	143,960
Excess (deficiency) of revenues over (under) expenditures	1,431,994	2,620,256	(101,599)	552,278	(15,905)
Other financing sources (uses)					
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	5,000	-	15,195
Transfers out	(482,051)	(864,229)	-	(5,000)	-
Total other financing sources (uses)	(482,051)	(864,229)	5,000	(5,000)	15,195
Net change in fund balances	949,943	1,756,027	(96,599)	547,278	(710)
Fund balance, beginning of year	1,206,419	5,962,152	602,933	1,989,147	987
Fund balance, end of year	$ 2,156,362	$ 7,718,179	$ 506,334	$ 2,536,425	$ 277

Special Revenue Funds							
Police Seized Asset Fund	Juvenile Case Fund	Glade Parks PID Fund	TIRZ #3 Glade Parks Fund	Midtown PID Fund	TIRZ #4 Midtown Fund	Cable PEG Fees Fund	Special Revenue Funds Totals
$ -	$ -	$ -	$ 1,493,318	$ -	$ 678,553	$ -	$ 2,171,871
-	-	-	-	-	-	79,783	1,815,871
-	-	-	434,221	-	16,400	-	11,195,333
1,422	1,170	-	22,563	1,024	-	4,020	129,198
-	-	-	-	-	-	-	42,175
-	-	-	-	-	-	-	128,055
-	-	-	-	-	-	-	79,198
-	50,180	-	-	717,124	-	-	778,229
1,422	51,350	-	1,950,102	718,148	694,953	83,803	16,339,930
-	-	-	-	-	-	-	3,669,283
-	-	-	-	-	-	-	207,847
-	58,551	-	-	13,107	-	28,269	765,159
-	-	-	-	-	-	-	-
11,600	-	-	-	-	-	-	3,212,427
-	-	-	-	-	-	-	220,000
-	-	-	-	-	-	-	182,125
-	-	-	-	-	-	-	207,814
11,600	58,551	-	-	13,107	-	28,269	8,464,655
(10,178)	(7,201)	-	1,950,102	705,041	694,953	55,534	7,875,275
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	20,195
-	-	-	(1,136,374)	(765,972)	(303,691)	-	(3,557,317)
-	-	-	(1,136,374)	(765,972)	(303,691)	-	(3,537,122)
(10,178)	(7,201)	-	813,728	(60,931)	391,262	55,534	4,338,153
233,238	196,357	750,000	2,645,233	122,165	397,493	589,452	14,695,576
$ 223,060	$ 189,156	$ 750,000	$ 3,458,961	$ 61,234	$ 788,755	$ 644,986	$ 19,033,729

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Capital Project Funds			
	Half-Penny Sales Tax CIP Fund	Developers' Contribution Fund	Street CIP Fund	Redevelopment CIP Fund
Revenues				
General property tax	$ -	$ -	$ -	$ -
Gross receipts tax	-	-	-	-
General sales tax	-	-	-	-
Investment income	6,758	9,517	49,259	6,179
DEA revenues	-	-	-	-
Intergovernmental	-	-	3,550	-
Rents and royalties	-	-	-	-
Other revenues	1,687	421	-	7,300
Total revenues	8,445	9,938	52,809	13,479
Expenditures				
Culture and recreation	110,204	-	-	-
Development services	-	-	-	-
General and administrative	-	-	-	74,871
Highways and streets	-	-	9,872	-
Public safety	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	199,916	-	7,828,275	1,683,217
Total expenditures	310,120	-	7,838,147	1,758,088
Excess (deficiency) of revenues over (under) expenditures	(301,675)	9,938	(7,785,338)	(1,744,609)
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	168,750
Transfers in	690,064	-	1,131,000	2,500,000
Transfers out	-	-	-	-
Total other financing sources (uses)	690,064	-	1,131,000	2,668,750
Net change in fund balances	388,389	9,938	(6,654,338)	924,141
Fund balance, beginning of year	821,611	2,220,321	13,554,224	48,744
Fund balance, end of year	$ 1,210,000	$ 2,230,259	$ 6,899,886	$ 972,885

Capital Project Funds				
Midtown Reserve Fund	TIRZ #4 Midtown CIP Fund	Car Rental CIP Fund	Capital Project Funds Totals	Total Non-major Governmental Funds
$ -	$ -	$ -	$ -	$ 2,171,871
-	-	-	-	1,815,871
-	-	-	-	11,195,333
-	-	6,881	78,594	207,792
-	-	-	-	42,175
-	-	-	3,550	131,605
-	-	-	-	79,198
-	-	881	10,289	788,518
-	-	7,762	92,433	16,432,363
-	-	-	110,204	3,779,487
-	-	-	-	207,847
-	-	17,671	92,542	857,701
-	-	-	9,872	9,872
-	-	-	-	3,212,427
-	-	-	-	220,000
-	-	-	-	182,125
-	999,725	161,873	10,873,006	11,080,820
-	999,725	179,544	11,085,624	19,550,279
-	(999,725)	(171,782)	(10,993,191)	(3,117,916)
-	-	-	168,750	168,750
999,725	999,725	-	6,320,514	6,340,709
(999,725)	-	-	(999,725)	(4,557,042)
-	999,725	-	5,489,539	1,952,417
-	-	(171,782)	(5,503,652)	(1,165,499)
999,725	69,475	1,880,255	19,594,355	34,289,931
$ 999,725	$ 69,475	$ 1,708,473	$ 14,090,703	$ 33,124,432

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
HOTEL / MOTEL SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Gross receipts tax	$ 582,740	$ 582,740	$ 1,736,088	$ 1,153,348
Investment income	400	400	12,497	12,097
Total revenues	583,140	583,140	1,748,585	1,165,445
Expenditures				
General and administrative	172,160	346,181	316,591	29,590
Total expenditures	172,160	346,181	316,591	29,590
Excess of revenues over expenditures	410,980	236,959	1,431,994	1,195,035
Other financing uses				
Transfers out	(482,051)	(482,051)	(482,051)	-
Total other financing uses	(482,051)	(482,051)	(482,051)	-
Net change in fund balance	(71,071)	(245,092)	949,943	1,195,035
Fund balance, beginning of year	1,206,419	1,206,419	1,206,419	-
Fund balance, end of year	$ 1,135,348	$ 961,327	$ 2,156,362	$ 1,195,035

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
HALF-PENNY SALES TAX SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General sales tax	$ 5,765,088	$ 5,765,088	$ 7,179,484	$ 1,414,396
Investment income	3,300	3,300	70,504	67,204
Rents and royalties	109,580	109,580	79,198	(30,382)
Total revenues	5,877,968	5,877,968	7,329,186	1,451,218
Expenditures				
Culture and recreation	4,228,240	4,228,240	3,750,317	477,923
Development services	817,018	817,018	207,847	609,171
General and administrative	364,920	374,595	348,641	25,954
Debt service				
Principal	220,000	220,000	220,000	-
Interest and fiscal charges	182,125	182,125	182,125	-
Total expenditures	5,812,303	5,821,978	4,708,930	1,113,048
Excess of revenues over expenditures	65,665	55,990	2,620,256	2,564,266
Other financing uses				
Transfers out	(905,084)	(905,084)	(864,229)	40,855
Total other financing uses	(905,084)	(905,084)	(864,229)	40,855
Net change in fund balance	(839,419)	(849,094)	1,756,027	2,605,121
Fund balance, beginning of year	5,962,152	5,962,152	5,962,152	-
Fund balance, end of year	$ 5,122,733	$ 5,113,058	$ 7,718,179	$ 2,605,121

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE DRUG ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	$ 500	$ 500	$ 3,473	$ 2,973
DEA revenues	15,000	15,000	42,175	27,175
Total revenues	15,500	15,500	45,648	30,148
Expenditures				
Public safety	159,903	159,983	147,247	12,736
Total expenditures	159,903	159,983	147,247	12,736
Excess (deficiency) of revenues over (under) expenditures	(144,403)	(144,483)	(101,599)	42,884
Other financing sources				
Transfers in	5,000	5,000	5,000	-
Total other financing sources	5,000	5,000	5,000	-
Net change in fund balance	(139,403)	(139,483)	(96,599)	42,884
Fund balance, beginning of year	602,933	602,933	602,933	-
Fund balance, end of year	$ 463,530	$ 463,450	$ 506,334	$ 42,884

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CRIME CONTROL AND PREVENTION DISTRICT SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General sales tax	$ 2,886,565	$ 2,886,565	$ 3,565,228	$ 678,663
Other revenue	-	-	10,925	10,925
Investment income	462	462	12,525	12,063
Total revenues	2,887,027	2,887,027	3,588,678	701,651
Expenditures				
Public safety	3,293,491	3,306,691	3,036,400	270,291
Total expenditures	3,293,491	3,306,691	3,036,400	270,291
Excess (deficiency) of revenues over (under) expenditures	(406,464)	(419,664)	552,278	971,942
Other financing uses				
Transfers out	(5,000)	(5,000)	(5,000)	-
Total other financing uses	(5,000)	(5,000)	(5,000)	-
Net change in fund balance	(411,464)	(424,664)	547,278	971,942
Fund balance, beginning of year	1,989,147	1,989,147	1,989,147	-
Fund balance, end of year	$ 1,577,683	$ 1,564,483	$ 2,536,425	$ 971,942

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GRANTS SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	5,196,973	5,280,491	$ 128,055	$ (5,152,436)
Other	45,960	45,960	-	(45,960)
Total revenues	5,242,933	5,326,451	128,055	(5,198,396)
Expenditures				
Public safety	58,978	143,147	143,960	(813)
Total expenditures	58,978	143,147	143,960	(813)
Excess (deficiency) of revenues over (under) expenditures	5,183,955	5,183,304	(15,905)	(5,199,209)
Other financing sources (uses)				
Transfers in	13,018	13,018	15,195	2,177
Transfers out	(9,405,087)	(9,405,087)	-	9,405,087
Total other financing sources (uses)	(9,392,069)	(9,392,069)	15,195	9,407,264
Net change in fund balance	(4,208,114)	(4,208,765)	(710)	4,208,055
Fund balance, beginning of year	987	987	987	-
Fund balance, end of year	($ 4,207,127)	($ 4,207,778)	$ 277	$ 4,208,055

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
POLICE SEIZED ASSETS SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	$ 100	$ 100	$ 1,422	$ 1,322
Total revenues	100	100	1,422	1,322
Expenditures				
Public safety	34,104	34,104	11,600	22,504
Total expenditures	34,104	34,104	11,600	22,504
Net change in fund balance	(34,004)	(34,004)	(10,178)	23,826
Fund balance, beginning of year	233,238	233,238	233,238	-
Fund balance, end of year	$ 199,234	$ 199,234	$ 223,060	$ 23,826

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
JUVENILE CASE SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	$ 200	$ 200	$ 1,170	$ 970
Other revenues	43,322	43,322	50,180	6,858
Total revenues	43,522	43,522	51,350	7,828
Expenditures				
General and administrative	73,637	73,637	58,551	15,086
Total expenditures	73,637	73,637	58,551	15,086
Net change in fund balance	(30,115)	(30,115)	(7,201)	22,914
Fund balance, beginning of year	196,357	196,357	196,357	-
Fund balance, end of year	$ 166,242	$ 166,242	$ 189,156	$ 22,914

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TIRZ #3 GLADE PARKS SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property tax	$ 1,498,206	$ 1,498,206	$ 1,493,318	$ (4,888)
General sales tax	367,815	367,815	434,221	66,406
Investment income	1,000	1,000	22,563	21,563
Total revenues	1,867,021	1,867,021	1,950,102	83,081
Other financing uses				
Transfers out	(1,136,374)	(1,136,374)	(1,136,374)	-
Total other financing uses	(1,136,374)	(1,136,374)	(1,136,374)	-
Net change in fund balance	730,647	730,647	813,728	83,081
Fund balance, beginning of year	2,645,233	2,645,233	2,645,233	-
Fund balance, end of year	$ 3,375,880	$ 3,375,880	$ 3,458,961	$ 83,081

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MIDTOWN PID SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other revenues	$ 803,338	$ 803,338	$ 717,124	$ (86,214)
Investment income	-	-	1,024	1,024
Total revenues	803,338	803,338	718,148	(85,190)
Expenditures				
General and administrative	37,366	37,366	13,107	24,259
Total expenditures	37,366	37,366	13,107	24,259
Excess of revenues over expenditures	765,972	765,972	705,041	(60,931)
Other financing uses				
Transfers out	(765,972)	(765,972)	(765,972)	-
Total other financing uses	(765,972)	(765,972)	(765,972)	-
Net change in fund balance	-	-	(60,931)	(60,931)
Fund balance, beginning of year	122,165	122,165	122,165	-
Fund balance, end of year	$ 122,165	$ 122,165	$ 61,234	$ (60,931)

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TIRZ #4 MIDTOWN SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax revenues	$ 675,309	$ 675,309	$ 678,553	$ 3,244
General sales tax	22,672	22,672	16,400	(6,272)
Total revenues	697,981	697,981	694,953	(3,028)
Other financing uses				
Transfers out	(303,691)	(303,691)	(303,691)	-
Total other financing uses	(303,691)	(303,691)	(303,691)	-
Net change in fund balance	394,290	394,290	391,262	(3,028)
Fund balance, beginning of year	397,493	397,493	397,493	-
Fund balance, end of year	$ 791,783	$ 791,783	$ 788,755	$ (3,028)

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CABLE PEG FEES SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Gross receipts tax	$ 90,600	$ 90,600	$ 79,783	$ (10,817)
Investment income	400	400	4,020	3,620
Total revenues	91,000	91,000	83,803	(7,197)
Expenditures				
General and administrative	35,600	35,600	28,269	7,331
Capital outlay	55,000	80,000	-	80,000
Total expenditures	90,600	115,600	28,269	87,331
Net change in fund balance	400	(24,600)	55,534	80,134
Fund balance, beginning of year	589,452	589,452	589,452	-
Fund balance, end of year	$ 589,852	$ 564,852	$ 644,986	$ 80,134

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Equipment Replacement Fund – to account for the accumulation of funds to be used for replacement of existing equipment. Funding is provided annually by the user departments.

Insurance Fund – to account for the revenues and expenses resulting from providing health insurance to the City's employees.

Risk Management/Workers' Compensation (Risk/WC) Fund – to account for the revenue and expenses applicable to providing workers' compensation coverage for all City employees, as well as, general liability and property coverage.

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

	Equipment Replacement Fund	Insurance Fund	Risk/WC Fund	Total
ASSETS				
Current Assets				
Deposits and investments	$ 15,817,764	$ 5,956,546	$ 2,540,651	$ 24,314,961
Accounts receivable	-	403,948	58,885	462,833
Prepaid expenses	958,744	-	-	958,744
Accrued interest receivable	46,550	4,537	-	51,087
Restricted deposits and investments	297,393	-	-	297,393
Total current assets	17,120,451	6,365,031	2,599,536	26,085,018
Non-current Assets				
Property, plant, and equipment, at cost				
Equipment	16,697,935	-	170,157	16,868,092
Less accumulated depreciation	10,665,357	-	98,961	10,764,318
Net property, plant, and equipment	6,032,578	-	71,196	6,103,774
Total assets	23,153,029	6,365,031	2,670,732	32,188,792
LIABILITIES				
Current Liabilities				
Accounts payable	49,381	23,800	349,281	422,462
Accrued salary and wages	-	3,063	2,742	5,805
Current portion of compensated absences	-	111	233	344
Accrued insurance claims	-	419,951	-	419,951
Total current liabilities	49,381	446,925	352,256	848,562
Non-current Liabilities				
Compensated absences	-	1,001	2,096	3,097
Total non-current liabilities	-	1,001	2,096	3,097
Total liabilities	49,381	447,926	354,352	851,659
NET POSITION				
Net investment in capital assets	6,032,578	-	71,196	6,103,774
Unrestricted	17,071,070	5,917,105	2,245,184	25,233,359
Total net position	$ 23,103,648	$ 5,917,105	$ 2,316,380	$ 31,337,133

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Equipment Replacement Fund	Insurance Fund	Risk/WC Fund	Total
Operating revenues				
Insurance premiums	$ -	$ 6,155,059	$ 508,486	$ 6,663,545
Service fees and miscellaneous	4,809,255	1,075,629	-	5,884,884
Total operating revenues	4,809,255	7,230,688	508,486	12,548,429
Operating expenses				
General and administrative	200,640	1,839,414	96,275	2,136,329
Insurance costs	-	5,268,975	908,322	6,177,297
Depreciation	1,462,547	-	15,629	1,478,176
Total operating expenses	1,663,187	7,108,389	1,020,226	9,791,802
Operating income (loss)	3,146,068	122,299	(511,740)	2,756,627
Nonoperating revenues				
Gain on sale of capital assets	492,026	-	-	492,026
Investment income	88,248	22,633	14,197	125,078
Total nonoperating revenues	580,274	22,633	14,197	617,104
Income (loss) before transfers	3,726,342	144,932	(497,543)	3,373,731
Transfers				
Transfers in	239,449	-	604,500	843,949
Total transfers	239,449	-	604,500	843,949
Change in net position	3,965,791	144,932	106,957	4,217,680
Net position, beginning of year	19,137,857	5,772,173	2,209,423	27,119,453
Net position, end of year	$ 23,103,648	$ 5,917,105	$ 2,316,380	$ 31,337,133

CITY OF EULESS, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2022

	Equipment Replacement Fund	Insurance Fund	Risk/WC Fund	Total
OPERATING ACTIVITIES				
Cash received from customers	$ 4,809,255	$ 7,000,323	$ 508,486	$ 12,318,064
Cash payments to suppliers for goods and services	(163,345)	(7,451,344)	(870,658)	(8,485,347)
Cash payments to employees for services	-	(76,801)	(64,745)	(141,546)
Net cash provided by (used in) operating activities	4,645,910	(527,822)	(426,917)	3,691,171
NONCAPITAL FINANCING ACTIVITIES				
Transfers in	239,449	-	604,500	843,949
Net cash provided by noncapital financing activities	239,449	-	604,500	843,949
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition/construction of capital assets	(1,743,415)	-	-	(1,743,415)
Proceeds from sale of capital assets	500,404	-	-	500,404
Net cash used in capital and related financing activities	(1,243,011)	-	-	(1,243,011)
INVESTING ACTIVITIES				
Interest received on investments	44,532	18,806	14,240	77,578
Net cash provided by investing activities	44,532	18,806	14,240	77,578
Net change in cash and cash equivalents	3,686,880	(509,016)	191,823	3,369,687
Cash and cash equivalents, beginning of year	12,428,277	6,465,562	2,348,828	21,242,667
Cash and cash equivalents, end of year	$ 16,115,157	$ 5,956,546	$ 2,540,651	$ 24,612,354
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 3,146,068	$ 122,299	$ (511,740)	$ 2,756,627
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	1,462,547	-	15,629	1,478,176
Change in assets and liabilities				
Receivables	-	(230,365)	-	(230,365)
Accounts payable	37,295	2,977	68,021	108,293
Accrued salaries and wages	-	(2,684)	1,173	(1,511)
Accrued insurance claims	-	(420,049)	-	(420,049)
Net cash provided by (used in) operating activities	$ 4,645,910	$ (527,822)	$ (426,917)	$ 3,691,171
Reconciliation of cash to balance sheet:				
Cash - current	$ 15,817,764	$ 5,956,546	$ 2,540,651	$ 24,314,961
Cash - restricted	297,393	-	-	297,393
Cash and cash equivalents	$ 16,115,157	$ 5,956,546	$ 2,540,651	$ 24,612,354

STATISTICAL SECTION
(Unaudited)

STATISTICAL SECTION
(Unaudited)

The statistical section of the City of Euless' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Tables
Financial Trends The financial trend schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-4
Revenue Capacity The revenue capacity schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	5-8
Debt Capacity The debt capacity schedules present information to help the reader assess the affordability of the City's current level of outstanding debt (including that of its blended component units) and the City's ability to issue additional debt in the future.	9-12
Demographic and Economic Information The demographic and economic schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities occur.	13-14
Operating Information The operating information schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.	15-17

CITY OF EULESS, TEXAS
NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS
(Accrual Basis of Accounting – Unaudited)

Table 1

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	$ 88,228,282	$ 94,162,906	$ 99,539,958	$ 108,135,655	$ 113,509,089	$ 112,710,338	$ 99,744,023	$ 104,018,729	$ 130,459,839	$ 123,862,163
Restricted	4,138,774	4,999,085	5,666,450	17,508,943	10,293,057	13,620,993	26,158,342	30,103,225	7,441,090	7,579,559
Unrestricted	24,910,579	23,921,387	17,302,574	3,610,521	12,466,943	10,698,663	18,071,669	25,147,659	37,117,415	60,034,944
Total governmental activities net position	$ 117,277,635	$ 123,083,378	$ 122,508,982	$ 129,255,119	$ 136,269,089	$ 137,029,994	$ 143,974,034	$ 159,269,613	$ 175,018,344	$ 191,476,666
Business-type activities										
Net investment in capital assets	$ 52,334,570	$ 55,160,900	$ 55,396,268	$ 59,184,256	$ 62,421,284	$ 63,283,054	$ 65,621,697	$ 66,554,698	$ 64,950,870	$ 73,306,877
Restricted for debt service	314,171	317,758	733,562	733,164	733,264	1,018,037	1,426,830	1,425,701	1,426,103	1,348,929
Restricted for capital projects	-	232,300	1,183,350	4,265,268	1,166,442	3,962,644	10,646,450	4,256,167	-	-
Restricted for impact fees	2,740,656	1,876,393	1,966,315	1,980,150	2,467,095	2,895,677	3,047,942	3,010,687	3,247,897	3,234,445
Unrestricted	18,150,441	15,047,592	12,554,695	11,122,601	14,528,797	12,286,319	7,130,279	14,728,131	23,441,214	26,895,689
Total business-type activities net position	$ 73,539,838	$ 72,634,943	$ 71,834,190	$ 77,285,439	$ 81,316,882	$ 83,445,731	$ 87,873,198	$ 89,975,384	$ 93,066,084	$ 104,785,940
Primary government										
Net investment in capital assets	$ 140,562,852	$ 149,323,806	$ 154,936,226	$ 167,319,911	$ 175,930,373	$ 175,993,392	$ 165,365,720	$ 170,573,427	$ 195,410,709	$ 197,169,040
Restricted	7,193,601	7,425,536	9,549,677	24,487,525	14,659,858	21,497,351	41,279,564	38,795,780	12,115,090	12,162,933
Unrestricted	43,061,020	38,968,979	29,857,269	14,733,122	26,995,740	22,984,982	25,201,948	39,875,790	60,558,629	86,930,633
Total primary government net position	$ 190,817,473	$ 195,718,321	$ 194,343,172	$ 206,540,558	$ 217,585,971	$ 220,475,725	$ 231,847,232	$ 249,244,997	$ 268,084,428	$ 296,262,606

Source: Annual Comprehensive Financial Reports

CITY OF EULESS, TEXAS
CHANGES IN NET POSITION – LAST TEN FISCAL YEARS
(Accrual Basis of Accounting – Unaudited)

Table 2

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Culture and recreation	$ 6,025,540	$ 6,424,683	$ 6,468,332	$ 6,998,904	$ 7,349,035	$ 7,070,484	$ 7,330,168	$ 5,538,905	$ 6,890,021	$ 7,714,207
Development services	1,155,089	1,367,005	877,713	918,214	999,153	1,038,328	1,057,414	1,062,784	903,633	934,100
General and administrative	17,145,752	18,017,535	19,949,733	20,722,236	20,816,148	21,356,342	21,112,696	20,827,914	20,604,298	24,293,764
Highways and streets	3,334,188	3,578,341	3,374,422	3,708,184	4,143,412	3,787,336	7,193,189	3,601,998	3,905,567	4,015,628
Public safety	23,324,328	24,278,144	23,807,143	26,673,966	28,265,072	27,424,253	30,352,705	27,354,689	27,489,405	27,379,929
Interest on long-term debt	1,227,084	1,126,017	1,136,786	1,807,001	1,502,912	1,632,302	2,010,814	2,560,933	2,507,261	2,417,173
Total governmental activities expenses	52,211,981	54,791,725	55,614,129	60,828,505	63,075,732	62,309,045	69,056,986	60,947,223	62,300,185	66,754,801
Business-type activities:										
Water and wastewater	18,554,761	20,298,024	19,970,346	21,009,701	21,673,844	23,225,786	23,493,321	25,333,182	24,823,460	26,754,590
Drainage utility	1,245,838	1,373,036	1,319,999	1,414,483	1,396,736	1,515,183	1,563,021	1,502,275	1,571,836	1,517,199
Golf	4,750,359	4,152,015	4,155,834	4,409,773	4,632,475	4,764,095	4,731,810	3,997,255	4,201,337	4,703,615
Other recreation enterprises	2,312,949	2,288,337	2,009,582	2,211,065	2,321,414	2,416,337	2,270,768	1,491,533	1,568,441	2,024,308
Total business-type activities expenses	26,863,907	28,111,412	27,455,761	29,045,022	30,024,469	31,921,401	32,058,920	32,324,245	32,165,074	34,999,712
Total primary government expenses	79,075,888	82,903,137	83,069,890	89,873,527	93,100,201	94,230,446	101,115,906	93,271,468	94,465,259	101,754,513
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services										
Culture and recreation	297,361	304,283	317,024	291,349	264,307	252,000	266,091	10,124	$ 295,097	$ 319,544
Development services	1,186,347	1,321,040	1,409,703	1,717,416	2,019,496	1,875,120	2,133,420	1,697,637	1,578,146	1,149,319
General and administrative	1,383,779	1,347,600	1,342,091	1,285,797	1,156,745	1,066,075	861,929	1,067,485	687,136	787,552
Highways and streets	112,736	218,012	93,258	350,920	607,588	988,302	1,114,507	1,075,865	982,070	717,124
Public safety	3,355,604	3,567,917	3,452,086	3,383,743	3,151,407	3,104,895	2,541,205	2,288,377	2,325,458	3,200,585
Operating grants and contributions	2,978,933	633,080	597,437	578,007	592,870	740,969	622,061	3,594,939	810,821	1,054,703
Capital grants and contributions	1,213,341	1,552,118	3,228,945	3,375,733	2,356,556	2,354,450	1,304,420	2,190,770	396,317	550,799
Total governmental activities program revenues	10,528,101	8,944,050	10,440,544	10,982,965	10,148,969	10,381,811	8,843,633	11,925,197	7,075,045	7,779,626
Business-type activities:										
Charges for services										
Water and wastewater	19,183,198	19,353,144	20,593,262	23,759,236	24,178,812	27,504,814	26,400,731	26,934,154	28,571,921	29,412,986
Drainage utility	708,984	712,971	716,595	725,152	730,202	818,622	826,711	833,890	842,003	1,193,159
Golf	4,520,224	3,622,952	4,168,578	4,187,728	4,247,345	4,337,003	4,067,026	3,363,915	4,350,610	5,131,494
Other recreation enterprises	2,138,600	2,241,920	1,848,434	2,059,413	2,168,944	2,123,825	2,197,926	884,286	1,433,139	1,905,434
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,847,097	2,037,263	1,746,638	2,943,188	2,280,769	1,729,219	3,058,291	2,677,913	1,002,393	1,254,532
Total business-type activities program revenues	28,398,103	27,968,250	29,073,507	33,674,717	33,606,072	36,513,483	36,550,685	34,694,158	36,200,066	38,897,605
Total primary government program revenues	38,926,204	36,912,300	39,514,051	44,657,682	43,755,041	46,895,294	45,394,318	46,619,355	43,275,111	46,677,231
	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)

CITY OF EULESS, TEXAS
CHANGES IN NET POSITION – LAST TEN FISCAL YEARS
(Accrual Basis of Accounting – Unaudited) – Continued

Table 2

Net (Expense) Revenue										
Governmental activities	$ (41,683,880)	$ (45,847,675)	$ (45,173,585)	$ (49,845,540)	$ (52,926,763)	$ (51,927,234)	$ (60,213,353)	$ (49,022,026)	$ (55,225,140)	$ (58,975,175)
Business-type activities	1,534,196	(143,162)	1,617,746	4,629,695	3,581,603	4,592,082	4,491,765	2,369,913	4,034,992	3,897,893
Total primary government net expense	(40,149,684)	(45,990,837)	(43,555,839)	(45,215,845)	(49,345,160)	(47,335,152)	(55,721,588)	(46,652,113)	(51,190,148)	(55,077,282)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	12,744,753	13,488,816	14,358,074	14,752,044	16,656,028	18,630,301	20,428,821	22,837,075	24,195,500	24,974,349
Sales taxes	16,142,357	17,525,123	18,359,717	20,364,878	21,252,491	20,728,210	21,419,831	22,088,364	24,373,082	28,693,421
Car rental taxes	13,592,255	14,082,518	14,112,552	14,842,109	14,401,763	14,776,566	14,797,320	10,042,659	13,062,591	18,372,898
Mixed beverage taxes	60,823	69,160	84,533	101,503	128,250	154,035	138,219	146,188	171,687	201,348
Hotel/motel occupancy taxes	329,368	343,312	391,991	696,805	798,905	864,829	841,588	924,551	1,182,845	1,736,088
Gross receipts taxes	4,209,564	4,458,682	4,556,355	4,467,535	4,455,137	4,811,119	4,549,026	4,238,664	4,221,250	4,478,146
Investment income	106,521	70,374	127,367	271,786	451,406	963,670	1,882,696	1,054,661	123,646	804,074
Rents and royalties	1,481,305	1,390,283	1,166,832	1,105,829	1,149,534	1,223,788	1,348,465	1,462,429	1,574,739	1,567,269
Gain on sale of assets	117,763	84,664	-	-	124,792	-	-	-	-	-
Miscellaneous	35,884	48,773	35,128	692,939	755,996	772,773	930,764	971,040	1,081,893	1,304,396
Transfers	692,951	531,974	722,702	(703,751)	(233,569)	760,590	820,663	551,974	986,638	(6,698,492)
Total governmental activities	49,513,544	52,093,679	53,915,251	56,591,677	59,940,733	63,685,881	67,157,393	64,317,605	70,973,871	75,433,497
Business-type activities:										
Investment income	40,045	34,063	40,282	104,618	158,805	385,513	746,865	368,999	42,346	174,403
Gain on disposal of assets	41,630	-	4,199	13,185	57,466	2,873	9,500	(84,752)	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	949,068
Transfers	(692,951)	(531,974)	(722,702)	703,751	233,569	(760,590)	(820,663)	(551,974)	(986,638)	6,698,492
Total business-type activities	(611,276)	(497,911)	(678,221)	821,554	449,840	(372,204)	(64,298)	(267,727)	(944,292)	7,821,963
Total primary government	48,902,268	51,595,768	53,237,030	57,413,231	60,390,573	63,313,677	67,093,095	64,049,878	70,029,579	83,255,460
Change in Net Position										
Governmental activities	7,829,664	6,246,004	8,741,666	6,746,137	7,013,970	11,758,647	6,944,040	15,295,579	15,748,731	16,458,322
Business-type activities	922,920	(641,073)	939,525	5,451,249	4,031,443	4,219,878	4,427,467	2,102,186	3,090,700	11,719,856
Total primary government	$ 8,752,584	$ 5,604,931	$ 9,681,191	$ 12,197,386	$ 11,045,413	$ 15,978,525	$ 11,371,507	$ 17,397,765	$ 18,839,431	$ 28,178,178
	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)	(concluded)

Source: Annual Comprehensive Financial Reports

CITY OF EULESS, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting – Unaudited)

Table 3

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	$ 49,262	$ 48,072	$ 47,834	$ 35,250	$ 52,050	$ 51,409	$ 74,835	$ 158,975	$ 223,609	$ 113,090
Restricted	124,312	120,093	109,618	121,041	104,340	125,753	132,954	123,748	117,674	108,919
Assigned	121,542	121,334	116,336	113,655	107,657	121,708	135,720	145,057	164,801	187,649
Unreserved/Unassigned	9,595,558	10,560,958	10,775,542	11,973,524	13,185,421	14,255,823	16,630,106	19,790,726	20,240,670	24,896,247
Total general fund	$ 9,890,674	$ 10,850,457	$ 11,049,330	$ 12,243,470	$ 13,449,468	$ 14,554,693	$ 16,973,615	$ 20,218,506	$ 20,746,754	$ 25,305,905
All Other Governmental Funds										
Nonspendable	$ 9,464	$ 34,704	$ 15,399	$ 7,738	$ 22,028	$ 12,427	$ -	$ 24,873	$ 1,086	$ 15,655
Restricted for:										
Debt service	1,776,644	2,377,710	2,477,981	1,995,548	2,285,719	2,765,013	3,429,240	3,828,633	4,316,041	4,405,396
Capital projects	365,641	398,756	594,211	12,715,424	4,985,922	7,501,009	19,287,010	22,369,460	18,996,535	15,184,734
Other	1,872,178	2,089,735	2,455,941	2,718,045	2,952,158	3,229,218	3,309,138	3,081,384	3,007,375	3,065,244
Assigned	13,504,412	12,692,185	13,765,385	12,541,184	14,730,171	21,356,289	19,461,628	17,221,925	22,761,358	32,889,510
Total all other governmental funds	$ 17,528,339	$ 17,593,090	$ 19,308,917	$ 29,977,939	$ 24,975,998	$ 34,863,956	$ 45,487,016	$ 46,526,275	$ 49,082,395	$ 55,560,539

Source: Annual Comprehensive Financial Reports

CITY OF EULESS, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting – Unaudited)

Table 4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
General property tax	$ 12,893,583	$ 13,468,394	$ 14,351,598	$ 14,771,632	$ 16,674,673	$ 18,652,639	$ 20,408,581	$ 22,736,528	$ 24,144,693	$ 25,236,242
Gross receipts tax	4,599,755	4,871,154	5,032,879	5,265,843	5,382,292	5,829,983	5,528,832	5,309,401	5,575,782	6,415,583
General sales tax	16,142,357	17,525,123	18,359,717	20,364,878	21,252,491	20,728,209	21,419,831	22,088,364	24,373,083	28,693,421
Car rental tax	13,592,255	14,082,518	14,112,552	14,842,109	14,401,763	14,776,566	14,797,320	10,042,659	13,062,591	18,372,898
Fines and fees	4,627,199	4,646,390	4,289,681	4,461,439	3,961,369	3,806,964	3,313,059	2,835,050	2,702,221	3,652,725
Licenses and permits	1,152,875	1,286,753	1,379,332	1,682,431	1,997,082	1,847,315	2,105,716	1,673,143	1,552,088	1,127,642
Investment income	92,118	57,880	105,443	237,949	385,769	821,642	1,623,907	869,827	103,170	711,952
DEA revenues	3,571	15,316	39,292	18,274	9,994	2,656	18,353	13,678	117,144	42,175
Intergovernmental	2,839,545	461,484	906,695	507,966	1,490,142	813,633	629,332	3,738,184	793,091	1,039,952
Rents and royalties	1,024,021	1,390,283	637,196	612,365	628,486	668,036	635,553	635,464	711,814	620,575
Other revenues	1,383,172	1,210,086	1,795,395	1,943,007	1,996,374	2,217,797	2,362,730	2,387,958	2,125,528	2,574,468
Total Revenues	58,350,451	59,015,381	61,009,780	64,707,893	68,180,435	70,165,440	72,843,214	72,330,256	75,261,205	88,487,633
Expenditures:										
Culture and recreation	5,171,477	5,558,463	5,704,520	6,023,057	6,324,436	6,372,535	6,258,492	6,785,529	6,120,370	7,335,273
Development services	806,275	1,017,903	882,212	862,571	931,119	1,036,278	1,001,587	1,065,028	924,919	993,827
General and administrative	17,207,934	17,711,441	18,357,428	18,975,116	18,985,489	19,790,021	19,038,500	18,727,050	19,881,563	22,755,689
Highways and streets	1,144,223	1,351,404	1,606,372	1,688,714	1,616,714	1,222,905	4,555,735	1,322,786	1,180,954	1,528,043
Public safety	22,192,488	23,121,457	23,521,280	24,698,550	26,068,993	26,977,362	27,738,238	28,322,488	28,534,814	30,662,083
Debt Service:										
Principal	3,975,000	5,567,404	4,284,197	3,530,000	3,848,825	4,761,697	4,828,848	4,605,000	4,635,000	4,631,897
Interest and fiscal charges	1,241,776	1,148,069	1,243,589	1,743,450	1,516,936	1,662,399	1,943,495	2,627,550	2,462,387	2,432,243
Issuance costs	26,064	-	-	-	-	-	-	-	-	-
Capital outlay	10,390,582	2,672,010	9,086,345	14,871,624	10,600,631	6,839,864	8,979,048	16,839,574	14,879,407	15,714,436
Total expenditures	62,155,819	58,148,151	64,685,943	72,393,082	69,893,143	68,663,061	74,343,943	80,295,005	78,619,414	86,053,491
Excess (deficiency) of revenues over (under) expenditures	(3,805,368)	867,230	(3,676,163)	(7,685,189)	(1,712,708)	1,502,379	(1,500,729)	(7,964,749)	(3,358,209)	2,434,142
Other Financing Sources (Uses):										
Issuance of lease	1,446,603	-	-	-	249,370	-	-	-	-	259,697
Issuance of debt	1,160,000	-	11,400,000	20,760,000	-	9,805,000	13,420,000	12,345,000	6,985,000	7,660,000
Payment of escrow for refunding	(1,190,252)	-	(6,074,450)	-	-	-	-	-	-	-
Premiums on issuance of debt	79,046	-	789,428	403,354	-	264,116	869,936	524,348	401,414	-
Proceeds from sale of assets	-	-	-	-	-	23,513	25,625	118,830	20,525	199,400
Transfers in	6,278,531	4,366,649	5,897,789	7,468,038	8,845,061	13,942,847	11,040,601	10,122,378	8,193,943	11,857,126
Transfers out	(5,839,245)	(4,209,345)	(6,421,904)	(9,083,041)	(11,177,666)	(14,544,672)	(10,813,451)	(10,861,657)	(9,158,305)	(11,373,070)
Total other financing sources	1,934,683	157,304	5,590,863	19,548,351	(2,083,235)	9,490,804	14,542,711	12,248,899	6,442,577	8,603,153
Net change in fund balances	$ (1,870,685)	$ 1,024,534	$ 1,914,700	$ 11,863,162	$ (3,795,943)	$ 10,993,183	$ 13,041,982	$ 4,284,150	$ 3,084,368	$ 11,037,295
Debt service as a percentage of noncapital expenditures	10.1%	12.1%	9.9%	9.2%	9.0%	10.4%	10.4%	11.4%	11.1%	10.0%

Source: Annual Comprehensive Financial Reports

CITY OF EULESS, TEXAS
ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY – LAST TEN FISCAL YEARS
(Unaudited)

Table 5

Fiscal Year	Estimated Value		Total Value	Less: Tax-Exempt Property	Total Taxable Value	Total Direct Tax Rate
	Real Property	Personal Property				
2013	2,661,959,213	445,909,463	3,107,868,676	351,726,906	2,756,141,770	0.470000
2014	2,759,268,619	461,065,240	3,220,333,859	356,283,956	2,864,049,903	0.470000
2015	2,920,206,326	509,189,960	3,429,396,286	369,393,032	3,060,003,254	0.467500
2016	3,352,029,682	513,118,652	3,865,148,334	410,557,810	3,454,590,524	0.467500
2017	3,470,371,005	531,751,946	4,002,122,951	450,853,105	3,551,269,846	0.462500
2018	3,922,338,493	564,286,167	4,486,624,660	492,318,425	3,994,306,235	0.462500
2019	4,353,413,236	576,907,417	4,930,320,653	549,709,999	4,380,610,654	0.462500
2020	4,877,396,769	628,387,146	5,505,783,915	599,654,547	4,906,129,368	0.462500
2021	5,160,656,914	666,521,372	5,827,178,286	631,904,229	5,195,274,057	0.462500
2022	5,445,666,114	637,973,264	6,083,639,378	768,537,626	5,315,101,752	0.475000

Source: Tarrant Appraisal District

CITY OF EULESS, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES (per $100 of Assessed Value) – LAST TEN FISCAL YEARS
(Unaudited)

Table 6

	City Direct Rates			Overlapping Rates				
Fiscal Year	Operating / General Rate	General Obligation Debt Service	Total Direct Rate	Hurst-Euless-Bedford ISD	Grapevine-Colleyville ISD	Tarrant County	Tarrant County Hospital District	Tarrant County Community College
2013	0.355130	0.114870	0.470000	1.4075	1.3201	0.2640	0.2279	0.1490
2014	0.360619	0.109381	0.470000	1.3875	1.3201	0.2640	0.2279	0.1495
2015	0.364505	0.102995	0.467500	1.3750	1.3201	0.2640	0.2279	0.1495
2016	0.366571	0.100929	0.467500	1.3500	1.3201	0.2640	0.2279	0.1495
2017	0.363053	0.099447	0.462500	1.3160	1.3967	0.2540	0.2279	0.1447
2018	0.361056	0.101444	0.462500	1.2630	1.3967	0.2440	0.2244	0.1401
2019	0.371710	0.090790	0.462500	1.2730	1.3967	0.2340	0.2244	0.1361
2020	0.377974	0.084526	0.462500	1.2200	1.3267	0.2340	0.2244	0.1302
2021	0.381954	0.080546	0.462500	1.1980	1.3031	0.2340	0.0819	0.1302
2022	0.402888	0.072112	0.475000	1.1608	1.2751	0.2290	0.2244	0.1302

Sources: City of Euless Budget Office, Tarrant Appraisal District

CITY OF EULESS, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

Table 7

Fiscal Year 2022			Fiscal Year 2013		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value [1]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value [2]
Brazos TX Partners LLC/Stoneleigh at Bear Creek Apt.	$ 170,900,000	3.22 %	EAN Holdings, LLC	$ 59,616,590	2.16 %
Westdale Hills 2013 LP	104,864,890	1.97	Avis Rent A Car System LLC	50,649,087	1.84
Star Monticello LLC/Star Kensington LLC	101,900,000	1.92	The Hertz Corp.	49,171,866	1.78
Intercapital AC Overlook LLC/Intergerman Enclave LLC	94,800,000	1.78	UDR The Mandolin LLC	45,630,000	1.66
Creekwood Trinity Union LLC	88,000,000	1.66	IRA Stoneleigh FEECO LLC	41,000,000	1.49
CH Realty 1X-Knightvest MF Mandolin Owner LP	80,981,553	1.52	AP WP Seramont Reit LLC	37,650,000	1.37
Glade Inline 1 LLC/Glade Inline2 LLC/Glade Lifest	78,468,777	1.48	CMF 15 Portfolio LLC	34,980,000	1.27
Oakmont of Bear Creek LLP/Parkside on the Creek LLC	77,300,000	1.45	AP WP Vineyard Reit LLC	34,765,700	1.26
Bedrock Holdings II (Dallas) LLC	66,900,000	1.26	Oncor Electric Delivery Co. LLC	34,393,728	1.25
CMF 15 Portfolio LLC	66,500,000	1.25	Big Vineyard Village MSV LLC	34,250,623	1.24
Total	$ 930,615,220	17.51 %	Total	$ 422,107,594	15.32 %

Source: Tarrant County Tax Office

Notes:

[1] Total Taxable Value including real and personal property for tax year 2021 (fiscal year 2022) is $5,315,101,752.

[2] Total Taxable Value including real and personal property for tax year 2012 (fiscal year 2013) is $2,756,141,770.

CITY OF EULESS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS – LAST TEN FISCAL YEARS
(Unaudited)

Table 8

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection		Delinquent Taxes	
				Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2013	12,926,215	(227,241)	12,698,974	12,648,635	99.60%	37,051	12,685,686	99.90%	13,288	0.11%
2014	13,426,248	(70,742)	13,355,506	13,303,694	99.61%	35,767	13,339,461	99.88%	16,045	0.13%
2015	14,245,865	(194,614)	14,051,251	14,049,020	99.98%	(11,725)	14,037,295	99.90%	13,956	0.11%
2016	13,671,980	870,932	14,542,912	14,481,033	99.57%	45,628	14,526,661	99.89%	16,251	0.12%
2017	15,828,162	378,172	16,206,334	16,191,555	99.91%	(1,005)	16,190,550	99.90%	15,784	0.11%
2018	18,199,497	(72,814)	18,126,683	18,131,429	99.86%	9,245	18,140,674	100.08%	(13,991)	0.11%
2019	19,850,820	(59,329)	19,791,491	19,769,021	99.89%	(2,364)	19,766,657	99.87%	24,834	0.19%
2020	22,134,132	(98,267)	22,035,865	21,970,578	99.70%	21,669	21,992,247	99.80%	43,618	0.20%
2021	23,340,538	(107,912)	23,232,626	23,180,576	99.78%	(3,751)	23,176,825	99.76%	55,801	0.24%
2022	24,283,254	-	24,283,254	24,176,819	99.56%	-	24,176,819	99.56%	106,435	0.44%

Source: Tarrant County Tax Office and Tarrant Appraisal District

CITY OF EULESS, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE – LAST TEN FISCAL YEARS
(Unaudited)

Table 9

	Governmental Activities						Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Tax Notes	Sales Tax Revenue Bonds	Leases	Premiums/ Discounts on Debt Issues and Losses on Refundings [1]	W&S Revenue Bonds	General Obligation Refunding Bonds	Leases	Premiums/ Discounts on Debt Issues and Losses on Refundings [1]	Total Primary Government	Percentage of Personal Income [3]	Per Capita [3]
2013	$ 27,095,000	$ 2,910,000	$ -	$ 2,050,000	$ 1,631,602	$ (396,737)	$ 4,690,000	$ 7,495,000	$ -	$ (610,729)	$ 44,864,136	3.30%	$ 867
2014	24,070,000	2,780,000	-	1,175,000	94,196	622,367 [2]	4,285,000	6,915,000	-	237,146 [2]	40,178,709	2.53%	$ 731
2015	20,655,000	8,365,000	-	285,000	-	994,148 [2]	10,940,000	6,320,000	-	211,601 [2]	47,770,749	2.98%	$ 884
2016	17,425,000	27,710,000	1,280,000	120,000	-	1,497,876 [2]	10,305,000	5,695,000	-	186,063 [2]	64,218,939	3.94%	$ 1,184
2017	14,490,000	27,350,000	860,000	75,000	160,545	1,099,640 [2]	9,540,000	5,240,000	-	168,446 [2]	58,983,631	3.62%	$ 1,075
2018	11,460,000	35,660,000	735,000	40,000	83,848	1,211,502 [2]	11,545,000	4,770,000	-	150,830 [2]	65,656,180	3.82%	$ 1,190
2019	8,805,000	46,200,000	-	1,565,000	-	1,887,637 [2]	19,905,000	4,295,000	-	133,213 [2]	82,790,850	4.49%	$ 1,474
2020	6,040,000	51,710,000	1,110,000	5,450,000	-	2,195,218 [2]	18,725,000	3,805,000	-	115,597 [2]	89,150,815	4.84%	$ 1,587
2021	4,115,000	54,930,000	2,370,000	5,245,000 [4]	-	2,432,587 [2]	17,780,000	3,295,000	-	97,984 [2]	90,265,571	4.48%	$ 1,549
2022	3,010,000	52,560,000	9,155,000	5,025,000	197,802	2,244,842 [2]	16,835,000	2,775,000	203,458	80,364 [2]	92,086,466	4.10%	$ 1,498

Note: Details regarding the City's outstanding debt can be found in the notes to the Financial Statements.

[1] Column added to table in 2016; prior year figures have been restated to include amounts reflected.

[2] Calculations for fiscal years after 2013 do not include losses on refundings due to their balance sheet reclassification to Deferred Inflows of Resources.

[3] See Table 13 for personal income and population data.

[4] Figure updated in FY2022.

CITY OF EULESS, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO TAXABLE ASSESSED VALUE AND NET BONDED DEBT PER CAPITA – LAST TEN FISCAL YEARS
(Unaudited)

Table 10

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Certificates of Obligation	Premiums/ Discounts on Debt Issues and Losses on Refundings [1]	Less: Debt Service Reserves	Net O/S Debt Total [6]	Estimated Population [2]	Taxable Value [3]	Net Debt to Taxable Value	Net General Debt Per Capita
2013	34,590,000	2,910,000	(721,626)	807,054	35,971,320	51,750	2,756,141,770	1.31%	$ 695
2014	30,985,000	2,780,000	883,948 [5]	796,454	33,852,494	53,780	2,864,049,903	1.18%	$ 629
2015	26,975,000	8,365,000	1,228,901 [5]	813,841	35,755,060	54,050	3,060,003,254	1.17%	$ 662
2016 [4]	23,120,000	27,710,000	1,446,619 [5]	1,056,021	51,220,598	54,250	3,454,590,524	1.48%	$ 944
2017	19,730,000	27,350,000	1,288,664 [5]	1,398,495	46,970,169	54,870	3,551,269,846	1.32%	$ 856
2018	16,230,000	35,660,000	1,381,631 [5]	1,914,141	51,357,490	55,170	3,994,306,235	1.29%	$ 931
2019	13,100,000	46,200,000	2,038,856 [5]	2,415,379	58,923,477	56,160	4,380,610,654	1.35%	$ 1,049
2020	9,845,000	51,710,000	2,066,094 [5]	2,676,299	60,944,795	56,160	4,906,129,368	1.24%	$ 1,085
2021	7,410,000	54,930,000	2,546,006 [5]	3,154,199	61,731,807	58,260	5,195,274,057	1.19%	$ 1,060
2022	5,785,000	52,560,000	2,105,638 [5]	2,242,815	58,207,823	61,480	5,315,101,752	1.10%	$ 947

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Total does not include revenue bonds.

Source: [1] Column added to table in 2016, prior years restated to include amounts shown.

[2] Estimates by North Central Texas Council of Governments and Euless Planning and Development Department

[3] Tarrant Appraisal District

[4] Taxable value restated to fiscal year end amounts.

[5] Calculations for fiscal years after 2013 do not include losses on refundings due to their balance sheet reclassification to Deferred Inflows of Resources.

[6] For the 9/30/2018 and beyond presentations, tax notes and leases were removed as these debt instruments are not considered bonded debt.

CITY OF EULESS, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2021 – (Unaudited)

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Grapevine-Colleyville Independent School District	$ 311,711,018	9.32%	$ 29,051,467
Hurst-Euless-Bedford Independent School District	321,965,000	20.57%	66,228,201
Tarrant County	404,360,000	2.42%	9,785,512
Tarrant County Hospital District	12,825,000	2.42%	310,365
Tarrant County College District	610,315,000	2.42%	14,769,623
Subtotal, overlapping debt			120,145,168
Debt repaid with property taxes and sales taxes			
City of Euless (direct debt)	72,192,644	100.00%	72,192,644
Total direct and overlapping debt repaid with property taxes			$ 192,337,812

Notes: The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

The current year calculation of direct debt includes all general governmental activities debt including sales tax revenue bonds which are not repaid with property taxes. Amounts shown have been adjusted for losses on prior refundings, premiums, and discounts.

Source: Debt outstanding data provided by Municipal Advisory Council of Texas and City records.

CITY OF EULESS, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE WATER AND WASTEWATER BONDS – LAST TEN FISCAL YEARS
(Unaudited)

Table 12

Fiscal Year	Total Revenues [1]	Less Operating Expenses [2]	Net Revenue Available	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
2013	19,399,314	16,660,397	2,738,917	330,000	82,110	412,110	6.65
2014	19,729,539	18,269,093	1,460,446	405,000	122,229	527,229	2.77
2015	21,182,560	17,879,209	3,303,351	410,000	129,703	539,703	6.12
2016	24,311,965	18,625,302	5,686,663	635,000	181,747	816,747	6.96
2017	24,353,525	19,249,699	5,103,826	765,000	175,682	940,682	5.43
2018	27,828,648	20,880,984	6,947,664	780,000	184,154	964,154	7.21
2019	27,603,615	21,006,298	6,597,317	915,000	191,327	1,106,327	5.96
2020	27,683,951	23,101,386	4,582,565	1,180,000	306,354	1,486,354	3.08
2021	29,072,318	22,122,296	6,950,022	945,000	274,924	1,219,924	5.70
2022	29,733,939	24,625,613	5,108,326	945,000	267,554	1,212,554	4.21

Notes: [1] Operating and nonoperating revenues of water and wastewater fund

[2] Total operating expenses of water and wastewater fund exclusive of depreciation and amortization

CITY OF EULESS, TEXAS
DEMOGRAPHIC STATISTICS – LAST TEN FISCAL YEARS
(Unaudited)

Table 13

Fiscal Year	Estimated Population [1]	Per Capita Income [2]	Personal Income (thousands of dollars)	Median Age [2]	School Enrollment [3]	Unemployment Rate [4]
2013	51,750	$ 26,299	$ 1,360,973	34.6	21,814	5.4%
2014	53,780	$ 28,947	$ 1,556,770	31.8	22,138	5.0%
2015	54,050	$ 29,651	$ 1,602,637	34.7	22,762	3.6%
2016	54,250	$ 30,054	$ 1,630,430	34.9	23,090	3.8%
2017	54,870	$ 29,730	$ 1,631,285	34.9	23,425	3.2%
2018	55,170	$ 31,117	$ 1,716,725	34.9	23,632	3.5%
2019	56,160	$ 32,810	$ 1,842,610	36.1	23,624 [5]	3.6%
2020	57,550	$ 34,575	$ 1,989,791	35.3	23,756	8.9%
2021	58,260	$ 34,575	$ 2,014,340	35.3	22,884	4.6%
2022	61,480	$ 36,494	$ 2,243,651	35.6	22,815	3.5%

Notes: [1] Estimates by North Central Texas Council of Governments

[2] Estimates by Claritas Site Reports; *Research & Demographic Solutions; 2014 forward from US Census Bureau*

[3] Hurst-Euless-Bedford Independent School District

[4] Texas Workforce Commission; Bureau of Labor Statistics

[5] Updated from projected to actual

CITY OF EULESS, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Table 14

2022*			2013		
Employer	Employees	Percentage of Estimated Total City Employment	Employer	Employees	Percentage of Estimated Total City Employment
HEB ISD	1,033	4.16%	HEB ISD	818	3.25%
LSG Sky Chefs, Inc.	663	2.67%	LSG Sky Chefs, Inc.	800	3.18%
City of Euless	398	1.60%	City of Euless	360	1.45%
Target	250	1.01%	Redi-Mix Concrete	355	1.41%
Lowe's	225	0.91%	Autogrill Group, Inc.	350	1.39%
Life Outreach International	186	0.75%	Life Outreach International	181	0.72%
Redi-Mix Concrete	185	0.74%	Super Target	150	0.60%
Dave and Buster's	150	0.60%	Lowe's	125	0.50%
QuikTrip	130	0.52%	Home Depot	122	0.48%
Flynn BEC, LP	120	0.48%	TJ Lambrecht Construction	120	0.48%
Thirsty Lion	120	0.48%			
Total	3,460	13.92%		3,381	13.46%

Source: City of Euless Planning and Development Department

* Prior year data used if updated information was unavailable.

CITY OF EULESS, TEXAS
FULL–TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
(Unaudited)

Table 15

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government and Administration	48.50	48.50	48.00	49.50	50.00	51.00	50.50	50.50	49.00	49.50
Public Safety	132.00	135.00	136.00	136.00	136.00	137.00	137.00	139.00	139.00	142.00
Fire Safety	72.00	72.00	72.00	72.00	75.00	75.00	75.00	75.00	75.00	78.00
Development Services	6.00	7.50	7.50	7.50	8.00	7.50	7.50	7.50	7.50	7.50
Culture and Recreational	30.50	33.25	34.25	34.25	35.25	35.25	35.25	34.25	34.25	34.25
Water and Wastewater	42.00	42.00	42.00	42.50	42.50	43.50	43.00	44.00	43.50	45.00
Golf Course	12.00	10.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
Public Works	18.50	18.50	20.00	20.00	21.00	22.50	23.50	23.50	23.50	23.50
Service Center	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Risk Management / Insurance	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	368.00	374.00	378.00	380.00	386.00	390.00	390.00	392.00	390.00	398.00

Source: City Budget Office

CITY OF EULESS, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
(Unaudited)

Table 16

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Number of Certified Officers	87	92	92	92	87	91	91	86	85	93
Number of Citations Issued	26,356	25,500	24,573	18,483	25,061	19,100	16,552	11,154	9,283	17,224
Fire										
Number of Certified Firefighters	70	70	70	70	72	73	74	72	75	74
Number of Alarms	4,296	4,505	4,686	4,770	4,678	3,758	4,324	4,735	4,827	6,245
Number of EMS Calls	3,108	3,230	3,424	3,431	3,772	3,468	2,958	3,256	3,204	3,910
Municipal Court										
Cases Filed	32,192	31,172	28,885	25,957	25,061	25,101	22,472	15,400	12,751	17,224
Development										
Number Residential Inspections - New	42	107	176	186	176	214	93	3	0	0
Number Commercial Inspections - New	16	29	33	15	36	32	18	12	13	7
Number Multifamily Inspections - New	0	1	1	0	0	1	6	0	0	0
Public Works										
Street Overlay (Square Footage)	540,613	631,260	430,504	1,156,833	1,549,065	1,063,046	1,289,759	1,010,016	421,848	483,310
Cultural and Recreational										
Parks and Recreation										
Recreation Center Memberships	5,137	6,261	6,742 [1]	6,975	6,528	7,183	7,125	2,820	3,886	5,008
Water and Wastewater										
Number of Water Consumers	25,039	25,319	26,014	25,812	25,970	26,200	26,659	27,467	27,855	27,942
Water Produced (In Gallons x 1000)	416,843	380,864	741,225	540,921	439,255	580,337	569,697	8,520 [3]	0 [4]	0 [4]
Water Purchased - TRA (In Gallons x 1000)	2,133,211	2,154,469	1,628,651	1,787,547	1,766,692	1,767,677	1,586,667	2,250,350	2,187,563	2,586,490
Water Supplied (In Gallons x 1000)	2,550,054	2,535,333	2,369,876	2,328,468	2,205,947	2,348,014	2,156,364	2,258,870	2,187,563	2,586,490
Annual Rainfall (In Inches)	24.41	23.98	44.45	53.16	34.96	42.39	48.20	45.27	33.41	29.92
Golf Course										
Number of Paid Rounds Played	35,890	22,110 [2]	33,735	32,852	33,237	32,557	32,016	30,860	42,429	41,645

Source: City Departments
Annual Comprehensive Financial Report
City Budget Office

Notes:

[1] Amount restated to include recreation, aquatic and senior memberships.

[2] Golf course closed for 3½ months for renovations in 2014.

[3] Wells were out of operation for most of the year; two wells are in the process of being replaced.

[4] All wells inoperational for the entire fiscal year; the two under construction are nearing completion.

CITY OF EULESS, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS
(Unaudited)

Table 17

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets - Paved [1]	333.4	340.62	342.8	344.77	350.12	350.12	351.74	351.74	352.60	352.60
Cultural and Recreational										
Aquatic Facilities	4	3	3	3	3	3	3	2	2	2
Parks [2]	16	16	16	16	16	16	16	16	16	16
Parks Land (Acres) [3]	341	341	341	341	341	341	341	341	341	341
Other Facilities (Acres) [3]	291	291	291	291	291	291	291	291	291	291
Community Buildings	6	6	6	6	6	6	6	6	6	6
Ampitheater	2	3	3	3	3	3	3	3	3	3
Conference Centre	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Softball Facility [4]	1	1	1	1	1	1	1	1	-	-
Athletic Fields	33	28	28	30	30	30	30	30	31	31
Library Holdings	111,312	105,500	98,596	101,160	85,123	80,241	81,353	82,501	85,010	88,577
Water and Wastewater										
Water Mains - Potable [5]	231.06	232.28	234.84	235.50	236.30	239.10	241.93	242.28	243.00	244.50
Water Mains - Reclaimed [5]	1.73	3.22	3.70	3.82	3.96	4.12	7.15	11.65	11.65	11.65
Fire Hydrants	1,579	1,633	1,648	1,674	1,719	1,798	1,805	1,836	1,845	1,886
Wastewater Mains [5]	187.6	191.3	192.4	193.2	195.2	197.0	198.4	201.0	202.1	203.0

Source: City Departments

[1] Reported in lane miles.

[2] Restated to exclude Softball Facility

[3] Restated to reflect Golf Course and Softball Facility land separately

[4] Softball Facility operations were combined with Parks at Texas Star in FY2021.

[5] Miles of lines. Fiscal year 2012 figures have been restated to exclude approximately two miles of TRA lines that had been accidentally included as City lines.